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TODAY: STAGE

CIA Agent In Germany Might Have Spied on Iran

Intelligence Officials Deny U.S. Targeted German Technology

By Walter Pincus
Washington Post Service

WASHINGTON — The CIA officer who was ordered out of Germany recently was working on gathering information there about a third country, probably Iran, according to American intelligence sources.

Germany expelled the officer to emphasize a new demand that it be kept informed of Central Intelligence Agency operations inside its borders, the sources said, and not because of anger that the United States was covertly gathering economic intelligence about Germany, as initial German reports had suggested.

"This was a shot across the bow" by the German government, an intelligence specialist said Monday.

The initial report Saturday by the German magazine Der Spiegel said the CIA officer, who was working under diplomatic cover, was expelled for trying to gather economic data relating to high-technology projects.

But a U.S. government source said the target was not the German government "but a third country." The source would not identify the target, but other intelligence sources said the CIA has actively used Germany, and particularly now-closed facilities in Frankfurt and Hamburg, to carry out activities against Iran and Libya over the years.

The German government has been asking in recent years to be kept informed of intelligence operations carried out within its borders, a desire for what the intelligence community terms "greater transparency."

"Germany has come of age," a senior State Department official said, "and is saying as far as intelligence is concerned, 'This is our country and whatever was done in the past must change.'"

"This event is not going to spoil relations between German Chancellor Helmut Kohl and the Clinton admin-

See SPY, Page 8

Philippe Huguen/Agence France-Presse

SHEEP-LIKE LEGISLATORS — Green Party members of the European Parliament keeping identical straight faces Tuesday in Strasbourg as the commissioner for research, Edith Cresson, called for ethics panels in each member state to monitor cloning-related issues following the duplication of an adult mammal.

NATO and Moscow Nearing Agreement

Russia Would Get Membership In G-7 as Part of Eventual Deal

By William Drozdiak
Washington Post Service

BERLIN — After three rounds of talks, Russia and NATO have achieved sufficient progress toward a new strategic partnership so that an agreement could be ready for signing by President Boris Yeltsin and the alliance's 16 heads of state at a special summit meeting in May or June, senior NATO diplomats said.

In a key concession, Russia now seems ready to drop its insistence on a legally binding treaty that would need to be ratified by all parliaments, and has signaled a willingness to accept NATO's preference for a political document endorsed by government leaders, the diplomats said. In return, the diplomats said. Western leaders now seem prepared to offer Russia full membership in the Group of Seven leading industrial nations.

The new flexibility was evident in the latest discussions on a NATO-Russia pact that were held Sunday night in Moscow by Foreign Minister Yevgeni Primakov and the NATO secretary-general, Javier Solana Madariaga. Mr. Primakov may elaborate further on Moscow's new thinking when he visits Washington later this week to plan the U.S.-Russia talks scheduled for Helsinki next week.

Western officials close to the talks said Russia had not muted its hostility toward the North Atlantic Treaty Organization's planned embrace of new democracies in Central Europe, but now seemed closer than ever to cutting a deal that would imply acquiescence in the granting of NATO membership to countries such as Poland, Hungary and the Czech Republic.

NATO leaders have declared their intention to issue invitations to new members at a summit conference in Madrid on July 8-9. Russia is now hinting it wants a separate ceremony marking the conclusion of its own agreement with NATO ahead of the Madrid meeting, preferably when leaders of Western industrial democracies gather for their annual G-7 summit conference in Denver in late June.

Mr. Yeltsin has expressed a strong desire for Russia to become the eighth member of the exclusive club, joining the United States, Japan, Germany, Italy, France, Britain and Canada. While its anemic economy does not qualify Russia as a leading industrial democracy, Chancellor Helmut Kohl of Germany and other European leaders say that acceptance of Russia as a full-fledged G-7 member is a small price to pay if Moscow abandons its opposition to NATO enlargement.

The acceptance of Russia as a full member would formalize what already is a de facto G-8. Mr. Yeltsin has been attending the final day of G-7 meetings to participate in economic sessions but now will be included in political discussions as well.

Another possibility, NATO officials

See NATO, Page 4

Zaire Braces for Fall of Kisangani and Mobutu

An Assault on the Political Class

By Howard W. French
New York Times Service

KINSHASA, Zaire — Almost every day, a few score members of Zaire's transitional assembly show up at the Chinese-built House of the People, a Parliament building as monumental as its name is far-fetched.

The discussions inside are animated, but are as likely to be about soccer, private business deals or girlfriends as about affairs of state. Never mind that Zaire's government is being humiliated in a war against rebel forces in the east: it has been months since the assembly has produced any new laws.

Things have not always been so. Zaire's 784-member Parliament was born of a political crisis in 1990, and the legislators responded decisively, managing to strip Zaire's dictator, Marshal Mobutu Sese Seko, of much of his power.

What it did not do is get down to governing Zaire. Instead, a combination of corruption, back-room maneuvering and inexperience with democracy have made this country's bloated assembly, like most of its institutions, almost completely irrelevant to the life of a nation in collapse.

If most people see Zaire's five-month armed rebellion, led by Laurent Kabila, as an attack on the decrepit power of the cancer-stricken Marshal Mobutu, it is no less an assault on an entire political class. In seven years of sporadic effort, political insiders and the opposition alike have shown themselves incapable of fashioning a workable future for Zaire.

With the failure of politics, many have warmed to the idea of a transformation by the gun. Although they can only guess what the rebels might offer Zaire, fresh recruits and hordes of jubilant citizens are rallying to their cause as the insurgency gallops through the countryside.

"For seven years this government has been unable to do anything for its people, and has been absolutely powerless to slow this rebellion," a Western diplomat said. "You wonder if the way things are going isn't for the better.

See REBELS, Page 8

In Kinshasa, a Sense of Resignation

By James Rupert
Washington Post Service

KINSHASA, Zaire — As rebels prepare to assault the northeastern city of Kisangani, Zairians and foreign diplomats say military and political power is continuing to slip away from the government of Marshal Mobutu Sese Seko.

Among foreign and Zairian analysts here, the question of whether Kisangani will fall is no longer much discussed. The focus now is on what will happen to this massive, fractious country when it does.

Several analysts said families of senior political and military figures were leaving Kinshasa, the capital, anticipating that the fall of Kisangani would suddenly end Marshal Mobutu's 31-year reign. Newspapers speculate about whether the loss of Kisangani would trigger a military coup against Marshal Mobutu, who is at his villa in southern France recuperating from treatment for cancer.

In addition, according to some in Kinshasa, there are whispers that perhaps the era of Marshal Mobutu — who gave Zaire its name and whose corrupt, repressive government has robbed it of its riches and stability — is already over.

"People are learning to ignore Mobutu," Bruno Lokuta, a leader of a prominent human-rights group here, said. "They don't even ask whether he is present or absent."

With the government excluding journalists from Kisangani, there is little information available on the situation there. The government has denied a claim by a rebel spokesman that the city is surrounded by forces of the coalition of anti-Mobutu groups that has seized much of eastern Zaire amid only token army resistance. Kisangani's location on the Zaire River means the rebels would have to cross the river to seal the city off, and there is no clear evidence they have done so.

[Zairian rebels said Tuesday they had seized a port in the southern mining region of Shaba and would soon capture Kisangani, Reuters reported from Goma.

[The French government, which backs Marshal Mobutu, denounced

See ZAIRE, Page 8

For a Few Rich Russians, a Dark Side

Women Discover Depression Amid All Their Wealth

By Alessandra Stanley
New York Times Service

MOSCOW — In the elegant Estee Lauder Beauty Center on the sumptuous grounds of the Moscow Country Club, wealthy women fill empty lives with facials, massage and the kindness of beauticians.

"To be honest, I am very lonely," Elvira Averyanova confided in a whisper. "I am someone who needs human contact. I try to go to places where I am known, and I am greeted warmly."

She cited the beauty center, her hairdressing salon and an upscale shopping mall as her havens from solitude.

Mrs. Averyanova, a trained pianist who gave up working and whose husband, a successful CD manufacturer, never stops, was describing a darker side of life among Russia's new rich. Like many wives of successful businessmen, she is finding that money and privilege are shadowed by isolation, anxiety and boredom.

A new phenomenon in post-Soviet society, such women represent less than 1 percent of the population. The vast majority have little choice but to work; millions are locked in dead-end jobs and have not been paid in months. There is little sympathy for the laments of ladies of leisure.

Russia remains a highly sexist society, where women, regardless of marital or professional status, are rarely allowed a prominent public role. Despite, or perhaps because of, 70 years of Soviet lip service to female equality, women distrust feminism. The few who can afford the luxury of not working often find that option irresistible — particularly when their husbands insist.

But many who happily quit their jobs quickly discovered that it was not the liberation they expected. The stay-at-home wife has become an important status symbol for the new rich, but the prestige falls on the husbands far more than the wives.

Psychologists, psychics and massage therapists have built flourishing practices ministering to such women.

Sergei Agrachev, a leading psychologist, charges $60 an hour to guide wealthy patients, most of them women, through depression and the anxiety that often follows sudden wealth.

Russians have their own special psychoses to work through, he said, issues of disillusionment that are unique to post-Communist society.

"For 70 years," he said, "we idealized the West. Now we discover that wealth really doesn't buy happiness.

"Intelligent women who used to work in institutes and universities find themselves alone at home, entirely dependent on their husbands. They find out that in this brave new world, their role has regressed to the 19th century."

He is not licensed to prescribe drugs, but he said many of his patients disregarded his advice, overindulging in

See BORED, Page 4

James Hill/The New York Times

Elvira Averyanova at one of her sanctuaries: "I go to places where I am known, and I am greeted warmly."

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.7038	1.7015
Pound	1.6077	1.6037
Yen	121.785	121.63
FF	5.7435	5.741

The Dow		
change	Tuesday close	previous close
+5.77	7085.16	7079.39

S&P 500		
change	Tuesday @ 4 P.M.	previous close
-1.82	811.23	813.05

Newsstand Prices			
Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Riels
Cameroon	1.600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1.100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1.250 Din
Ivory Coast	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	LL 3,000		

White House and FBI Spar on China Briefing

Clinton Says It Was Secret; Agency Differs

By Peter Baker
Washington Post Service

WASHINGTON — In a rare public confrontation, the White House and the FBI have offered sharply conflicting versions of their contacts with each other concerning evidence of an alleged Chinese plan to influence U.S. congressional elections last year.

President Bill Clinton said in a news conference Monday that he had only recently found out about the alleged involvement of a foreign power in the elections because FBI agents who briefed National Security Council staff members at the White House last summer "for whatever reasons, asked that they not share the briefing, and they honored the request."

Mr. Clinton complained that "the president should know" about such matters.

Within hours, however, the FBI issued a statement saying that it had "placed no restriction whatsoever on the dissemination up the chain of command at the NSC on any information provided to the NSC senior staff."

The White House refused to back down, countering with its own assertion that the FBI was wrong. The White House spokesman, Michael McCurry, told reporters that the bureau statement was "in error."

[Mr. McCurry maintained that position Tuesday, saying again

See BRIEFING, Page 8

AGENDA

Sweden to Probe Its Nazi Dealings

NEW YORK (Reuters) — Sweden has agreed to launch a full-scale investigation into its wartime dealings with the Nazis, the World Jewish Congress said Tuesday.

The executive director of the organization, Elan Steinberg, said Sweden had promised a comprehensive examination of its handling of bank accounts of victims of the Holocaust and its trade with the Nazis.

Sweden was neutral during the war, but its relationship with Hitler has come under scrutiny as part of a probe into Swiss dealings with the Nazis.

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The IHT on-line http://www.iht.com

Jack Dabaghian/Reuters

CHINESE CHIC — Galliano went Oriental in his first ready-to-wear collection for Dior. Page 12.

Japan's Biggest Bank: The Local Post Office

Rural Residents Won't Want It to Change

By Sandra Sugawara
Washington Post Service

HORI, Japan — When Satoko Masuda, 82 and a widow, needs some cash, she does not go to the bank. She rings up Kazuaki Jemoto, the postmaster of this small farming village.

Early the next morning, "before I am even out of bed, he stops by to pick up my passbook," Mrs. Masuda says. "Later that day, he returns with the money."

The postmaster's efforts do not go unrewarded. Mrs. Masuda is so grateful that she puts almost all of her savings, not in a bank, but in the post office's own savings system.

She is not alone. Tens of millions of Japanese maintain accounts at the post office, making it the largest financial institution in the country. At the end of 1996, money on deposit there totaled a stunning $1.8 trillion, more than four times as much as at the country's biggest commercial bank.

As Japan tries to fix a banking system that has been pummeled by recession and risky lending, it is grappling with a basic issue: Should a government agency be sucking up more than one-third of the country's total personal savings and funneling it to government-backed loan and development programs? Or should market forces be determining where that money goes?

In many other industries, officials are asking similar questions as they seek to retool a paternalistic economic system that

See POSTMAN, Page 8

AT&T

Emerging Albania / **After Isolation, Chaos**

A Bitter Taste of Capitalism

By Christine Spolar
Washington Post Service

VLORE, Albania — Wounded, sedated and stretched out on a hospital bed, Agim Hazizi roused himself to fever pitch when asked to describe the financial crisis that has spun this country into anarchy. "I've worked 32 years," the bus driver shouted. "I don't have a house. I don't have a cent to buy bread."

"I have only my head," he added, pushing himself up from a sweat-soaked bed in a dingy room at the hospital here. "Let them take my head."

After 45 years in the shackles of a repressive Communist dictatorship, in isolation from the rest of the world, Albanians had little notion of how capitalism worked when communism fell in 1991.

At least one-quarter of the population sank their life savings into get-rich-quick investment funds that were essentially pyramid schemes, and seven weeks after they began collapsing one after another, thousands of investors like Mr. Hazizi are screaming, "Where's my money!"

Their fury over the government's failure to warn or protect them has escalated from mass demonstrations into a deadly revolt. Now a fast-paced, all-out armed rebellion, fueled more by avarice and revenge than ideals, is burning through the southern half of Europe's poorest country.

Last week, protesters who were once ignored by the government took on the military and began raiding warehouses and weapons depots. Bands of undisciplined thugs have taken over cities throughout southern Albania, where President Sali Berisha's support is weakest and the financial losses have been greatest.

That the collapse of pyramid schemes could shake any place so deeply can be understood only by taking into account the desperate and corrupt nature of life in Albania — and by peeking into the pocketbooks of people like Mr. Hazizi, who was shot in a recent gun battle between rebels and government security forces.

Six years after the Communist regime fell, people here survive on $40 to $60 a month. Those who have had the most success in these helter-skelter years of change are the ones who have operated outside the law, smuggling drugs, people or guns through Adriatic ports such as Vlore.

But the same chaotic conditions that enabled Albania's emerging criminal element to flourish also ensured the downfall of honest working people. Strangers to capitalism, with no experience in investment or securities, they leaped at the impossibly high profits promised by the pyramid schemes. Such ploys make big payouts as long as a pool of new investors pays up to keep them solvent; when the pool dries up the mirage collapses.

Mr. Hazizi, who has seven people to care for, tested the odds. He sold his home for $25,000 and promptly plowed all the money into three funds. Within weeks, the funds went belly up. Mr. Hazizi joined the street protests and ended up shot. "All I want to do is feed my children," he said.

ALTHOUGH President Berisha's government has tried to defuse the uprising — first by cracking down with a state-of-emergency declaration last week, then by offering to halt military operations and grant amnesty to rebels who turn in their weapons — the renegades say they will not give up. They blame Mr. Berisha for the scandal and have demanded his resignation.

In an effort to form what he called a "government of reconciliation," Mr. Berisha offered Sunday to hold new elections. The parliamentary voting last May was riddled with fraud and gave his Democratic Party a virtual monopoly on power. But rebels here see his offer as a stalling tactic, and the revolts march on.

The insurgents drove security forces from Vlore on Feb. 28. Nearby Sarande and Delvine went to the rebels soon afterward. Then rebels overran Gjirokaster, near the border with Greece, on Saturday, and Sunday night the government lost control of the towns of Permet and Berat. On Monday, the city of Fier, crammed with secret police last week, appeared to be breaking away from government control.

The upheaval has revived some old divisions between north and south. The regions are ethnically divided — Gegs predominate in the north, Tosks and Greeks in the south — but their rivalry is now primarily political.

ENVER Hoxha, the isolationist dictator who ruled Albania from 1945 to 1985, was from the south, and the region remains a stronghold of the Socialist Party, successors to Mr. Hoxha's Communists. Mr. Berisha, who grew up in the mountainous far north, came to power in 1992 and has surrounded himself with northerners — in particular, bodyguards and secret police.

But the north-south divide appears to have little to do with why the south is in flames while the north remains relatively calm. Rather, capitalism — in its legal and illegal forms — had yielded relatively more in the south, giving southerners more money to invest, and lose, in the pyramid schemes.

Mr. Berisha and the political opposition have held several rounds of talks aimed at ending the crisis, but the political debate in the capital has no echo here in Vlore.

One has only to look around the homes of people like Katerina Dhimgjoka, a schoolteacher, to see why they want a change in government.

Miss Dhimgjoka played the pyramid scam for four years and used the 25 percent return on her investments to retile her floor, fill her apartment with furniture, buy such Western luxuries as a coffee grinder and a Cuisinart and trade in her black-and-white television for a color model. But when the pyramids collapsed, she lost money. She will not accept any government, she said, that won't pay her back.

"We still want the government to go, but we will keep the same demands for the new government," she said. "I don't care about the elections. I don't care who governs. I want peace and a better life and more money."

Yannis Behrakis/Reuters

Rebels parading through Permet after seizing it from the government. Five civilians were killed in the brief fighting for the town, one of several in the south that have fallen in the last week.

Albania Gets New Prime Minister as Revolt Spreads to North

Compiled by Our Staff From Dispatches

TIRANA, Albania — President Sali Berisha appointed a new prime minister on Tuesday as armed unrest continued in the south of the country and began spreading north.

Bashkim Fino, an economist from the southern town of Gjirokaster and a member of the main opposition Socialist Party, replaced Alexander Meksi, a member of the governing Democratic Party, who resigned last month as the unrest erupted.

Mr. Berisha, his Democratic Party and nine opposition parties signed an accord over the weekend to establish a national unity government and hold elections by June in an attempt to find a political solution to the insurrection.

Political parties in Tirana agreed Monday to split cabinet posts evenly between the Democratic Party and the opposition. But the two sides have been deadlocked on who is to get the key portfolios, political sources said.

Meanwhile, the anti-government revolt spread from the south for the first time Tuesday, with residents of a major town north of Tirana saying insurgents there had raided a military base and carted away weapons and ammunition.

Sources contacted by telephone from the capital said about 9,000 people were involved in the raid in Bajram Curri, but there was no independent confirmation of this.

"We are ready to stand by the president if he needs us," said one of the residents of Bajram Curri, which lies about 20 kilometers (12 miles) from the Serbian border.

This source said one person was slightly injured in a powerful blast of dynamite in another weapons depot in town.

The incident was reported as the insurrection in the south gained ground, with rebels capturing several additional towns and sticking to their demand that Mr. Berisha step down.

With the north generally assumed to be loyal to Mr. Berisha, the reported raid there further burdened his attempts to defuse the armed revolt.

Parliament was to pass an amnesty to try to quell the rebellion, which was set off by public rage over high-risk investment schemes in which nearly every Albanian family lost money.

In the extreme south of the country, security worsened.

At Kakavia, on the Greek border, armed insurgents shot and killed an Albanian after he crossed into the country Tuesday. Witnesses said the victim was asked for money and was killed after an argument.

The border station was looted after being abandoned by its guards. Shepherds in the area were carrying guns to protect their flocks from being stolen.

Overnight, looters cleaned out a state-owned hotel in the city of Saranda, 280 kilometers south of Tirana. The ports of Saranda and Vlore, both in the hands of insurgents, were declared closed Tuesday until further notice, state media reported.

The police recovered a van Monday full of weapons stolen from army garrisons in Fieri, 113 kilometers south of the capital, but protesters made off with many more, a local reporter said. *(Reuters, AP, AFP)*

For Netanyahu, Hard Step — For Arafat, Sense of Betrayal

Confrontation Over Israeli Pullback Puts Peace Talks on Hold and Aggravates Prime Minister's Woes

By Serge Schmemann
New York Times Service

JERUSALEM — The Palestinians' unexpected refusal to accept Israel's decision to withdraw from an additional 9.1 percent of the West Bank has thrown the Middle East negotiating process into new crisis, in effect freezing contacts between the two sides only a week before scheduled talks on a final settlement.

The confrontation added yet another problem to the political woes of Prime Minister Benjamin Netanyahu, who went to Moscow on Monday for a two-day trip to Russia.

The Palestinian leader Yasser Arafat ordered the Palestinian Authority to suspend all contacts with Israel, a Palestinian official said Tuesday, effectively putting the peace process on hold. Israel and the Palestinians are to begin talks on a final peace accord Monday, but it appears unlikely they will start on time.

The planned withdrawal, which Israelis intended to complete this week, is stalled. Officials said it was not possible to withdraw without coordinating the action with the Palestinians because more than 50 villages and 200,000 people were involved.

Israeli television reported that Mr. Arafat refused two telephone calls Monday from Mr. Netanyahu. The Palestinian was apparently stung by what he considered the prime minister's failure to reward him for restraining protests over Israel's decision to proceed with a new Jewish neighborhood in East Jerusalem.

On the domestic front, Mr. Netanyahu left with a rebellion by rightists in Parliament temporarily defused. Four of the eight legislators from his coalition who had threatened to vote against him on an opposition motion of no-confidence announced after meeting with him that they would not do so.

But a new challenge loomed. Members of Mr. Netanyahu's Likud bloc and the opposition Labor Party called for lowering to 61 from 80 the number of votes required in the 120-member Knesset to dismiss the prime minister without dissolving the legislature.

NEWS ANALYSIS

Mr. Netanyahu was said to view this as a serious threat because many of the rightists disillusioned with him might be willing to vote him out if they could keep their parliamentary seats.

Speculation grew that Mr. Netanyahu might try to form a coalition government with former Prime Minister Shimon Peres. But the Labor Party leader insisted that until the police concluded an investigation into allegations of influence-peddling in government, "there is absolutely nothing to talk about."

On the Palestinian side, analysts said Mr. Arafat's public rage over the withdrawal decision reflected what he viewed as Mr. Netanyahu's violation of trust.

The analysts said Mr. Arafat had worked to prevent a Palestinian explosion after the Israeli announced plans to build the Jewish neighborhood in East Jerusalem, expecting in exchange to gain a decent piece of territory in the ensuing withdrawal. The Palestinian then traveled to the United States, where he received a warm welcome.

But immediately on his return home, basking in the sense that he was being treated as an equal partner, the blows fell. The United States vetoed a UN Security Council resolution condemning the planned construction. The Palestinian Authority was served with an order to close four offices in East Jerusalem. Then the Israeli cabinet announced the decision on the further withdrawal.

For Mr. Netanyahu, the decision to withdraw from another 9.1 percent of the West Bank represented a bitter victory over hard-liners in his cabinet, which approved it by only 10 to 7. But for Mr. Arafat, the hard fact was that most of that land, amounting to 7 percent of the West Bank, was already under Palestinian civil authority and was now being transferred to full Palestinian control.

The Palestinians had publicly insisted that the transfer should amount to 30 percent of the West Bank areas under Israeli control and privately said they expected at least 10 percent.

After angrily delivering Mr. Arafat's rejection Sunday to Foreign Minister David Levy, the chief Palestinian negotiator, Mahmoud Abbas, tendered his own resignation in protest against Israel, but Mr. Arafat declined it.

Though Mr. Arafat's authority among the Palestinians was not in question, he was not likely to back down quickly, at least not while President Hosni Mubarak of Egypt was on an official visit to Washington and the UN General Assembly was denouncing Israel for its East Jerusalem project.

For the moment, Mr. Netanyahu put off the start of the construction, as well as any action to enforce the order to close the Palestinian offices in Jerusalem. But the rebellious mood among his rightist supporters suggested that he would not be able to delay the actions too long. For the same reason, the consensus among Israeli commentators was that it would be politically impossible for him to increase the land to be turned over to the Palestinians.

The travails of the two leaders created the impression of two figures steadily forced apart by separate politics and mutual distrust. Mr. Netanyahu's aides say his fundamental problem since coming to office has been in trying to carry out a peace agreement he disagreed with but could not change.

Misha Japaridze/The Associated Press

Mr. Netanyahu in Moscow, where President Boris Yeltsin said Tuesday that he expected relations between their countries to expand significantly.

Using Legos, Inventor, 17, Wins $40,000

New York Times Service

NEW YORK — A senior at Hunter College High School in New York City who fashioned Lego, modeling clay and a pile of electronic circuits into a sophisticated microscope suspended from his bedroom ceiling by bungee cords has won the top prize in the Westinghouse Science Talent Search, the nation's preeminent competition for budding researchers and inventors.

Adam Ezra Cohen, 17, of Manhattan, won a $40,000 college scholarship for building his microscope and then turning it into an "electrochemical paintbrush" capable of printing exquisitely small characters — small enough, he says, to fit 50 words within the width of a human hair. Mr. Cohen said Monday that he believed the technique could someday be used to change the way intricate patterns are imprinted on computer chips.

The 56th annual Westinghouse competition is a monthlong national science fair that has begun the careers of five Nobel laureates.

Mr. Cohen had previously created a computer hard drive and a device that allows a computer operator to move a cursor across the screen with only his eyes. His microscope is suspended from the ceiling to avoid vibrations.

TRAVEL UPDATE

Air France Pilots Call for Strike

PARIS (AFP) — Three unions representing Air France pilots called Tuesday for strike action at the end of this month in a protest over salary policies.

Two unions, SPAC and Snomac, called for a strike from March 23-26, while a third, the SNPL, urged action from March 27-30, although it did not rule out starting its action earlier. The protest is over the implementation scheduled for April of a two-level salary structure for pilots that the airline is planning to hire over the next three years.

Pollution Slows Down Paris Drivers

PARIS (Reuters) — The police decreed stricter speed limits in the Paris area Tuesday in an effort to counter high pollution levels as drivers faced traffic jams because of a demonstration by Renault auto workers.

After air pollution reached high levels Monday, chiefly because of car exhaust fumes and the lack of wind, the authorities lowered the limit from 80 kilometers per hour (50 miles per hour) to 60 kilometers per hour on the capital's ring road, and from 70 kilometers per hour to 50 kilometers per hour on express riverbank roads through the city.

Mayor Jean Tiberi said parking for residents would be free Tuesday to encourage locals to use buses and underground transport until pollution levels returned to normal.

Passengers on Sabena's three weekly flights from Brussels to Johannesburg will be able to connect with flights to Cape Town, Durban and George after March 30 through an agreement with South Africa's Nationwide Air. Port Elizabeth will be added to the list on Aug. 1. *(AP)*

A Eurostar passenger train traveling between Brussels and London hit a truck loaded with cows Tuesday morning, but there were no serious injuries either on the train or in the truck, according to the Belgian state railroad. *(Reuters)*

A four-hour strike by Italian air controllers Tuesday over plans to restructure working conditions grounded many international flights from Italy, airport authorities said. *(AFP)*

Weather forecasters lifted cyclone warnings along Australia's Queensland coast Tuesday as a storm hovering off the Great Barrier Reef began to weaken. *(Reuters)*

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DEATH NOTICE

Albrecht H. Zetzsche,
Hamburg, well-known vegetable oil broker (1950 till 1990) died on March 7th, 1997.

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WEATHER

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	20/68	9/48 s	19/66	11/52 s
Amsterdam	16/61	4/39 s	12/53	8/46 c
Ankara	7/44	-7/20 pc	8/46	-4/25 s
Athens	13/55	6/43 pc	13/55	6/43 s
Barcelona	14/57	6/43 s	15/59	6/46 pc
Belgrade	13/55	1/34 s	16/61	3/37 s
Berlin	14/57	4/39 s	14/57	2/35 pc
Brussels	16/61	4/39 s	14/57	6/46 pc
Budapest	12/53	3/37 s	13/55	4/39 s
Copenhagen	12/53	6/43 s	10/50	3/37 c
Costa Del Sol	18/64	7/44 s	18/64	8/46 s
Dublin	13/55	9/48 sn	14/57	10/50 sn
Edinburgh	12/53	7/44 sh	12/53	6/43 r
Florence	15/59	5/41 s	17/62	7/44 pc
Frankfurt	18/61	5/41 s	13/55	5/41 pc
Geneva	16/59	5/41 pc	12/53	6/43 sh
Helsinki	4/39	1/34 c	4/39	-9/16 sn
Istanbul	10/50	6/43 pc	10/50	5/41 sh
Las Palmas	26/79	17/62 s	23/73	14/57 s
Lisbon	18/64	11/52 s	17/62	12/53 s
London	14/57	6/43 pc	13/55	2/35 s
Madrid	19/66	5/41 s	19/66	4/39 pc
Mallorca	13/55	7/44 s	14/57	9/48 pc
Milan	18/64	8/46 pc	18/64	6/43 pc
Moscow	4/39	-1/31 pc	8/46	3/37 c
Munich	16/61	5/41 s	12/53	2/35 sh
Nice	17/62	11/52 s	18/64	9/48 s
Oslo	6/43	-1/31 s	2/35	-6/22 pc
Paris	17/62	4/39 s	15/59	3/37 pc
Prague	14/57	4/39 s	12/53	4/39 pc
Reykjavik	-5/24	-12/11 pc	-5/22	-9/16 s
Rome	18/64	3/37 pc	16/61	4/39 pc
St. Petersburg	4/39	1/34 pc	6/43	-6/22 sn
Stockholm	8/46	3/37 c	7/44	-6/18 s
Strasbourg	17/62	7/44 s	14/57	7/44 sh
Tallinn	4/39	2/35 c	4/39	-9/16 sn
Venice	16/61	7/44 s	16/61	7/44 c
Vienna	14/57	4/39 s	12/53	3/35 pc
Warsaw	12/53	2/35 s	11/52	1/34 pc
Zurich	15/59	6/43 pc	11/52	6/43 sh

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	28/79	19/66 pc	24/75	17/62 c
Beirut	18/64	11/52 pc	19/66	10/50 s
Cairo	24/75	12/53 pc	27/80	9/48 s
Damascus	18/61	5/41 s	17/62	4/39 pc
Jerusalem	16/61	4/39 s	18/64	4/39 pc
Luxor	29/84	13/55 s	33/91	11/52 s
Riyadh	22/71	18/61 pc	23/73	14/57 r

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
The southern tier of the nation will remain mild, while New England stays rather chilly. A storm over the Plains Thursday will strengthen as it moves eastward. This storm will bring a wintry mix to the Midwest Thursday into Friday, then to the East Friday. Damp in the Northwest.

Europe
Cooler air will push into London, Paris and Amsterdam, but no excessive cold is expected. Madrid and Rome will stay mild. A powerful storm will lash Scandinavia and sweep its associated cold front across northern Europe Thursday and Friday. The front will stall over southeast Europe Saturday.

Asia
A series of small storms exiting eastern China will bring wet weather to northeast and east-central China, both Koreas and southern Japan. A cooling trend in Beijing, Seoul and Tokyo through Saturday. Hong Kong will stay warm and sunny, while a stray thunderstorm can affect Singapore each afternoon.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	-2/28	-12/11 s	2/35	-7/20 pc
Atlanta	21/70	9/48 s	19/66	11/52 pc
Boston	4/39	-6/22 s	3/37	-4/25 s
Chicago	6/43	0/32 pc	8/46	0/32 sh
Dallas	20/68	13/55 r	22/71	13/55 sh
Denver	22/71	2/35 s	16/61	-1/31 pc
Detroit	6/43	-3/27 pc	6/43	-2/28 pc
Honolulu	29/82	21/70 c	29/82	21/70 pc
Houston	23/73	17/62 r	24/75	18/61 sh
Los Angeles	22/71	11/52 pc	22/71	9/48 pc
Miami	28/82	21/70 pc	27/80	20/68 pc
Minneapolis	-2/29	-9/22 sl	3/37	-6/22 sl
Montreal	-8/18	-20/-3 pc	-9/16	-12/11 s
Nassau	26/79	17/62 pc	29/79	18/64 pc
New York	7/44	-1/31 s	7/44	0/32 pc
Orlando	26/79	17/62 pc	26/79	15/59 pc
Phoenix	31/88	14/57 s	27/80	12/53 pc
San Fran	16/61	7/44 s	14/57	7/44 pc
Seattle	9/48	2/35 sh	8/46	-1/31 sh
Toronto	-4/25	-13/9 pc	-1/31	-7/20 s
Vancouver	5/41	-3/27 sh	3/37	-4/25 sn
Washington	11/52	0/32 s	10/50	1/34 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hist. W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Bali	31/88	21/70 pc	31/88	21/70 c
Bangkok	33/91	24/75 pc	32/89	24/75 pc
Beijing	11/52	4/39 sh	13/55	6/43 r
Bombay	34/93	21/70 s	32/89	20/68 s
Calcutta	25/95	21/70 s	34/93	22/71 pc
Chiang Mai	34/93	22/71 pc	32/89	22/71 pc
Colombo	29/84	22/71 s	28/82	21/70 s
Hanoi	27/80	21/70 pc	28/82	22/71 pc
Ho Chi Minh	33/91	23/73 pc	33/91	23/73 pc
Hong Kong	25/77	20/68 pc	26/79	21/70 pc
Islamabad	21/70	4/39 s	21/70	8/48 s
Jakarta	28/82	22/71 pc	28/82	23/73 c
Karachi	28/82	14/57 s	27/80	15/59 pc
K. Lumpur	31/88	23/71 t	30/86	22/71 t
K. Kinabalu	29/84	23/73 pc	30/86	25/77 r
Manila	30/86	21/70 pc	30/86	21/70 c
New Delhi	32/89	14/57 s	27/80	11/52 c
Phnom Penh	32/89	22/71 c	33/91	23/73 pc
Phuket	33/91	24/75 pc	32/89	24/75 pc
Rangoon	34/93	24/75 pc	32/89	23/73 pc
Seoul	16/61	6/43 pc	17/62	7/44 pc
Shanghai	21/70	16/64 r	25/77	18/64 r
Singapore	30/86	24/75 pc	31/88	26/79 r
Taipei	26/79	18/64 pc	25/77	18/64 s
Tokyo	18/64	6/43 s	20/68	7/44 c
Vientiane	27/80	21/70 pc	28/82	22/71 pc

Africa

Algiers	14/57	3/37 pc	16/61	4/39 s
Cape Town	24/75	12/53 s	26/79	14/57 s
Casablanca	22/71	10/50 s	20/68	10/50 s
Harare	30/86	11/52 s	31/88	12/53 s
Lagos	31/88	23/73 pc	31/88	24/75 pc
Nairobi	28/82	13/55 pc	29/84	13/55 pc
Tunis	13/55	6/43 r	16/61	6/43 pc

Latin America

Buenos Aires	27/80	14/57 pc	24/75	14/57 pc
Caracas	28/82	22/71 pc	29/84	23/71 pc
Lima	28/82	21/70 pc	28/82	22/71 pc
Mexico City	23/73	8/46 c	24/75	8/46 pc
Rio de Janeiro	26/82	21/70 s	28/82	21/70 pc
Santiago	29/84	7/44 s	28/82	9/48 s

Oceania

Auckland	20/68	12/53 c	21/70	14/57 pc
Sydney	26/79	19/66 s	25/77	16/61 pc

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THE AMERICAS

China Asks U.S. to Stop News Reports Of Donations

By Steven Mufson
Washington Post Service

BEIJING — The Chinese Foreign Ministry has called in a top U.S. Embassy official to protest as "malicious fabrications" articles that have appeared in The Washington Post about alleged plans by Beijing to donate money to the Democratic Party or members of Congress.

A senior Foreign Ministry official asked the U.S. chargé d'affaires, William McCahill Jr., on Monday to put an end to the reports so they do not damage ties between the countries, the official Xinhua press agency reported.

The "Chinese side has never been involved in U.S. political affairs in any form," the agency quoted Mei Ping, director of the ministry's division of affairs for the Americas and Oceania, as telling Mr. McCahill.

China has been upset with other U.S. press reports, although it has not lodged diplomatic protests. It recently complained that The New York Times treated China as "a potential enemy." The official China Daily said last Thursday that The Times was "waging a verbal war on China." The Chinese newspaper said The Times's "constant diatribe is both tiresome and dangerous: tiresome because it goes on relentlessly, day after day; dangerous because it misleads readers and damages Sino-U.S. relations."

In the last week, electronic mail users have complained that China has again cut off public access to World Wide Web sites of several U.S. news organizations, including The Post and CNN, but not The Times or The Wall Street Journal. China for a time blocked access to those sites last year.

Mr. McCahill said in an interview Tuesday that the meeting with the Chinese lasted half an hour. "They conveyed their position on these allegations of campaign financing and denied that the Chinese government had in any way tried to influence electoral outcomes in the U.S.," he said.

The Post has printed articles saying that because of information obtained from intelligence eavesdropping, the Justice Department is investigating the possibility that the Chinese Embassy coordinated an effort to channel money to U.S. congressional candidates.

China apparently does want to improve its standing in Washington. People close to the Chinese government say it has considered hiring American lobbying and public relations firms to burnish its image and improve relations with Congress.

So far, however, China has been reluctant to spend the money lobbying companies demand. And the Foreign Ministry has been reluctant to let non-Chinese make representations about Chinese foreign policy, said an American who spoke to Chinese officials about such efforts.

Cary Cameron/Reuters

President Clinton's approval rating dropped 5 points in the poll.

Public Dislikes Clinton Fund Drive

By Richard Morin and Dan Balz
Washington Post Service

WASHINGTON — An overwhelming majority of Americans disapprove of President Bill Clinton's use of the White House to help raise funds for the 1996 election, according to a Washington Post-ABC News Poll.

While the president's overall standing remains strong, the poll found signs that the disclosures about fund-raising have begun to affect public attitudes toward his presidency.

Mr. Clinton's job approval rating fell from 60 percent in late January to 55 percent in the current poll. That was the first drop of that size after roughly two years of improvement in the president's standing.

Large majorities said it was wrong for Mr. Clinton to reward big campaign contributors with coffees and overnight stays at the White House and for Vice President Al Gore to make fund-raising calls from his White House office.

A majority of those surveyed believe that neither Mr. Clinton nor Mr. Gore broke any laws. In addition, the overwhelming majority believe that Republicans are as guilty as Democrats of questionable fund-raising practices.

Even though they did not believe the president or vice president violated the law, 6 in 10 surveyed said they favored the appointment of a independent counsel to investigate foreign campaign contributions to Mr. Clinton and the Democrats, rather than leaving it to the Justice Department. Attorney General Janet Reno has opposed appointing an independent counsel.

A total of 1,004 randomly selected adults were interviewed March 6-9 for the Post-ABC News survey. Margin of sampling error for the overall results is plus or minus 4 percentage points.

The survey suggests that, on most measures, Mr. Clinton's performance seems to have slumped in recent weeks.

Still, 49 percent to 38 percent, Americans say they trust Mr. Clinton more than the Republicans in Congress to deal with the country's major problems. Despite softening reviews of his performance, 6 in 10 said they still liked Mr. Clinton. The survey found that nearly as many respondents have a favorable impression of Mr. Gore, and almost 6 in 10 said they believed he has the honesty and integrity to serve as president some day.

Slightly more than half — 53 percent — said Mr. Clinton has the honesty and integrity to be president. Whatever their views toward Mr. Clinton and Mr. Gore, those surveyed were less generous toward Congress.

Six in 10 said they disapproved of the way Congress, which is controlled by Republicans, has been doing its job. And while a similar proportion think Mr. Clinton is trying to work with the Congress, little more than a third believe congressional Republicans are trying to work with the president.

The House speaker, Newt Gingrich, Republican of Georgia, remains highly unpopular, with only a third expressing approval for the job he is doing.

A Democrat Fights Back

Fund-Raising Inquiry Is Assailed as 'Hypocrisy'

By Dan Morgan
Washington Post Service

WASHINGTON — The top Democrat on a House of Representatives panel investigating fund-raising by President Bill Clinton's campaign has accused Republican leaders of "hypocrisy" and released what he called "the most explicit example" of Republicans using government property and facilities to sell access to high government officials.

Representative Henry Waxman of California, the senior Democrat on the House Government Reform and Oversight Committee, on Monday cited a 1995 appeal that offered Republican fund-raisers who brought in $45,000 a special luncheon with Newt Gingrich, the speaker of the House, in the Great Hall of the Library of Congress.

Mr. Waxman's release of several Republican fund-raising documents showed how tensions were mounting in the committee, where Republicans say they plan to focus their investigation on allegations of illegal fund-raising activities by Mr. Clinton's administration.

"This investigation is spending millions on a partisan witch hunt," Mr. Waxman said, adding that he wanted "a real investigation of Congress and the White House and let the chips fall where they may."

The Gingrich luncheon at the Library of Congress was one of the events held in connection with a $1,500-a-plate Republican House-Senate dinner in 1995. The gala brought in $517,400 for House and Senate candidates and $4,739,015 in unregulated "soft money" for party-building activities.

One Republican fund-raiser who knew of the event scoffed at the notion that it was comparable to the small coffees at the White House. "Lunch with 250 people is not special access," the Republican operative said.

POLITICAL NOTES

Kentucky Senator to Retire

WASHINGTON — The assistant Senate minority leader, Wendell Ford of Kentucky, a crusty congressional insider whose causes have ranged from defending tobacco to promoting easier voter registration rules, has announced that he will not seek a fifth term next year.

Mr. Ford, 72, is the second veteran Democratic senator to decide against running again, raising Republicans' hopes of expanding on gains they made in the last two elections. Senator John Glenn, an Ohio Democrat, announced last month that he will retire after four terms. Republicans hold a 55-to-45 edge in the Senate.

Noting that the average cost of a Senate race has risen from less than $450,000 to $4.5 million since he was elected to the Senate in 1974, Mr. Ford said Monday that "the job of being a U.S. senator today has unfortunately become a job of raising money to be re-elected instead of a job of doing the people's business." *(WP)*

Gore's Prospects Not So Sure

WASHINGTON — Even if the fund-raising furor fades before the next campaign, it has already significantly complicated Vice President Al Gore's carefully planned trajectory to the White House and given new hope to other Democrats who would like to be president.

From consultants to members of Congress to Mr. Gore's own advisers, several Democrats said in interviews that recent disclosures about the vice president's deep involvement in soliciting donors during last year's campaign, and his occasionally clumsy public efforts to defend his conduct, had clouded the aura of inevitability around his prospects for winning the presidential nomination in the year 2000.

One of the vice president's biggest practical advantages was that because of his links to a vast grassroots network of donors, he was in a position to scare off rivals by amassing large sums of money fast.

But now, Mr. Gore's advisers said, they would be reluctant to be too aggressive too early about fund-raising. Moreover, some donors themselves are said to be more skittish about the vice president.

Meanwhile, the dates of the Gore visit to China were confirmed — March 24 to 28. He will visit Japan on March 23 and 24 and Korea on March 28 and 29. *(NYT)*

Mrs. Clinton and the Check

WASHINGTON — Offering her first extensive comments on her office's role in the White House fund-raising case, Hillary Rodham Clinton said Monday that her top aide, Margaret Williams, should not have accepted a $50,000 campaign check at the White House. Mrs. Clinton also said she had no explanation for the fact that the man who made the donation, Johnny Chung, a California businessman who is a central figure in federal investigations of campaign fund-raising, had been permitted to visit her office 21 times.

Asked whether Ms. Williams should have suggested that Mr. Chung mail the donation directly to the Democratic National Committee, Mrs. Clinton said: "In retrospect, I'm sure she wishes that's what she'd done." But the first lady added: "She's an honorable and courteous person and what she did is legal and proper under the prevailing rules. But given the concern that it's raised, I'm sure she wishes she said, 'Go mail it or go walk it over yourself.'"

As for the frequent visits Mr. Chung paid to her office — records show he made at least 50 visits to the White House in President Bill Clinton's first term — Mrs. Clinton said members of her staff were probably too courteous to turn Mr. Chung away. *(NYT)*

Quote/Unquote

Jim Beem, 58, who is retiring after 20 years as a guard at the U.S. Capitol building, telling visitors what they are prohibited from carrying into the House viewing gallery: "No cameras, calculators, hair spray, aerosol cans, flash attachments, radios, batteries, whistles, extra shoes. No food, binoculars, umbrellas, backpacks, beepers, mace, tear gas or cellular phones." *(AP)*

Away From Politics

• **Four female army recruits** say they were coerced into accusing their instructors at the Aberdeen Proving Ground in Maryland of rape and will recant their allegations, an official of the NAACP said. The women admit that they had consensual sex with trainers at the military facility, said Janice Grant, president of the Harford County chapter of the National Association for the Advancement of Colored People. *(AP)*

• **More than a thousand** convicted criminals from Los Angeles have continued to take part in the federal food-stamp program after being sent to jail or prison, potentially costing taxpayers millions of dollars, according to a federal report. *(LAT)*

• **A man who had been dismissed** from a nursing home in Ashtabula, Ohio, returned and shot two workers, killing one and seriously wounding another. The man, whose name was not released, turned himself in at the police station three blocks away. *(AP)*

Prisons Trade In Chain Gangs' Shackles for the Zap of Stun Belts

By Peter T. Kilborn
New York Times Service

CENTREVILLE, Maryland — Starting next month, authorities in Queen Anne's County, on Maryland's Eastern Shore, will become the latest to introduce chain gangs — and perhaps the first to make them chainless.

Rather than shackling the ankles of inmates on outdoor work crews, the county may buy devices called stun belts that would send convicts writhing into the dirt if they tried to flee or fight.

The stun belts, the latest device in the booming corrections industry, are starting to generate as much debate as the chain gangs.

Some jailers and local officials like the idea of the belts because they would save money: fewer guards would be needed to keep an eye on prisoners wearing them. And, these officials contend, there is no long-term physical damage to a prisoner who is stunned.

But human rights advocates and even some corrections officials around the country oppose the belts, portraying them as the most degrading new measure in a field that they regard as increasingly barbaric.

The belt comes with a battery and a receiver with electric prongs. From up to 300 feet (90 meters) away, an officer can press a button to detonate an eight-second burst of 50,000 volts of electricity and stun a fleeing inmate for up to 10 minutes.

"It overrides the body's neuromuscular system," said Dennis Kaufman, president of Stun Tech Inc. in Cleveland, which makes the belts. "Normally, you can open and close your hand twice in one second. This device makes it contract 20 times in a second. It wears the muscles down."

Mr. Kaufman said he has sold 1,100 belts to law-enforcement agencies, including 200 to the U.S. Marshals Service and 100 to the Federal Bureau of Prisons. Currently, he said, they are used in transporting dangerous prisoners or in court, replacing shackles.

Amnesty International has appealed to Washington to ban the belts, in part because it says they can be used to torture. It calls them "cruel, inhuman and degrading."

But Mr. Kaufman said they strike such terror in prisoners that a belt has been fired to subdue a prisoner only 14 times in the 30,000 occasions one has been worn. He said the belts cost $600 to $700 apiece and readily pay for themselves in reducing the number of officers needed to guard work crews.

Wisconsin plans to start using them soon. At Governor Tommy Thompson's behest, the state legislature last year ordered the adoption of chain gangs, joining Alabama, Arizona, Florida, Iowa and some county sheriffs' departments.

Bill Clausius, spokesman for the Department of Corrections, said that when the first Wisconsin gangs go out this spring, jailers will have the option of the belts or individual leg restraints.

It would be the first use of the belts for work-crew control, unless Queen Anne's County acts faster.

People in Centreville, a two-century-old town an hour's drive across the Chesapeake Bay Bridge from Washington and Baltimore, say their interest in the stun belts and in chains reflects their growing anger about rising crime in their town.

Rehabilitation does not work, say people in Centreville.

And prisoners have it too easy, they add. A convict gets free room, board, medical care and television, while they have to earn both their own keep and his. They want convicts, like welfare recipients, to work.

But they also want to stigmatize and shame the people who violate them.

"Give them public humiliation," said Deborah Steenken, a crew leader for a fast-food chain who was resting on a bench in the courthouse square. "They never think twice about committing a crime."

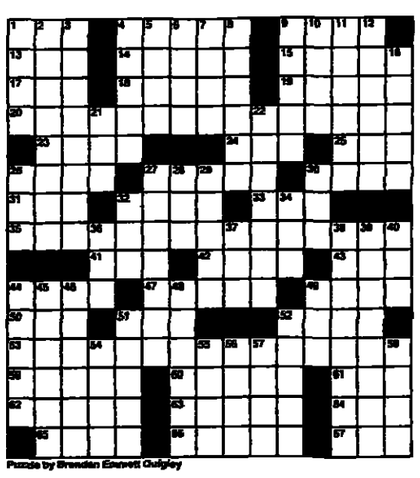
These attitudes trouble advocates of prisoner rights.

"We claim to be a civilized society, and we return to these primitive methods of punishing people," said Mark Kappelhoff, legislative counsel for the American Civil Liberties Union in Washington. "We executed 54 people last year, and now we're dehumanizing them. It causes you to wonder what will satisfy this thirst for vengeance."

Most leading jailers have scruples about using restraints on work crews other than the customary officer armed with a shotgun. In a position statement, the 20,000-member American Correctional Association, made up of wardens and corrections officers, has called on Congress to oppose chain gangs.

The association says chaining and similar practices are "harsh and mean-spirited." Such practices, it says, "result in a hardening of criminal offenders," raise costs of incarceration and threaten inmate health.

CROSSWORD



Puzzle by Brendan Emmett Quigley

ACROSS

1 Cookbook phrase
4 You can't control it
9 Ramadan observance
13 Beaujolais, say
14 Rock band named for an inventor
15 Mr. T group
17 Fraternity letter
18 Hunter of myth
19 A masked man
20 Looking through photo albums, perhaps?
23 Baseball's Sandberg
24 Reactor part
25 Posed
26 Place to lose oneself
27 Emasculate
30 "Now I see!"
31 Supped
32 Like some eligibles, once
33 Eponymous physicist
35 Party item
41 Weed
42 Caps Lock neighbor, on a computer
43 Something to shoot for
44 Zeppo, for one
47 Where the buffalo roam
49 Label info
50 —— pro nobis
51 Bilko's rank: Abbr.
52 57-Down measurement
53 #1 movie of 1985
59 Singer Cara
60 Composer Copland
61 "Interview With the Vampire" co-star
62 Debussy work
63 Post-toast sound
64 "Independence Day" villains
65 High schooler
66 Some cigarettes
67 Like a wallflower

DOWN

1 Declare as fact
2 Highbrows
3 One critically examining
4 Hot spot
5 Prefix with scope or meter
6 "Q —— queen"
7 Work hard
8 Repeated word
9 Disconcerted
10 Over
11 Hoverer near God's throne
12 Human ankle
16 Words on a coat of arms
21 Suffix with Alp
22 Center of a roast
26 Queen described by Mercutio
27 Experience
28 Cultural org.
29 Quetzalcoatl worshiper
30 Wake-up times: Abbr.
32 Surprised cry
34 "Just hold everything!"
36 "—— 1138" (1971 sci-fi film)
37 U.P.S. cargo: Abbr.
38 Connoisseurs
39 Home of Mary and Joseph
40 Italian numero
44 Shell competitor
45 Genesis mount
46 Flower part
48 Go at
49 Wait
51 Unaccommodating
52 Street toughs
54 Baby-bouncing locale
55 Vigorous
56 Land of poetry
57 Printer's choice
58 Accommodating

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Solution to Puzzle of March 11

S	W	A	G	S		S	C	U	P		C	R	O	C
A	P	L	E	A		E	R	N	E		H	E	R	O
M	A	L	T	L	I	Q	U	O	R		I	T	E	M
		U	N	T	R	U	E		M	E	N	A	G	E
D	E	V	O		M	E	L	T	I	N	G	P	O	T
A	R	I		B	A	L		O	T	T		E	N	O
G	A	U	Z	E			E	M	M	E	T			
		M	I	L	T	O	N	B	E	R	L	E		
		P	A	R	E	D			E	C	L	A	T	
I	R	E		T	A	I		A	D	D		O	L	E
M	O	L	T	E	N	L	A	V	A		U	N	I	T
B	O	U	N	D	S		B	A	L	I	N	G		
I	N	D	O		M	U	L	T	I	G	R	A	I	N
B	E	E	T		I	D	E	A		O	U	T	R	E
E	Y	R	E		T	E	R	R	A		R	H	E	T

Harry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

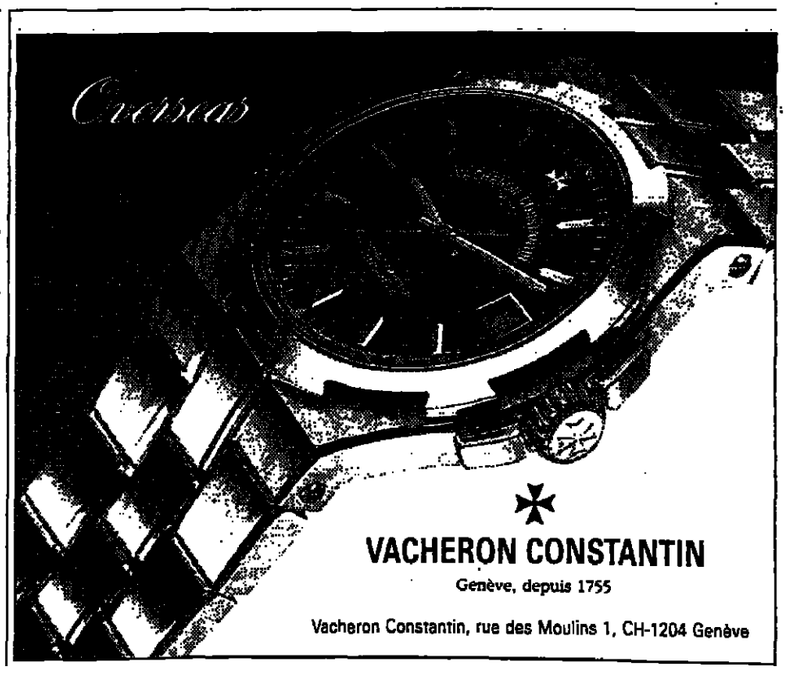
Jesuits Arrested After Gun Battle In South Mexico

Reuters

TUXTLA GUTIERREZ, Mexico — Mexican authorities on Monday jailed two Jesuit priests on charges of leading a peasant attack in which two policemen were killed in the southern state of Chiapas.

Geronimo Hernandez and Gonzalo Rosas were arrested on Saturday with two Mayan Indian leaders after a gunfight near Palenque, the site of famous Mayan ruins. Police said the priests led the attack on Friday.

The Catholic Church said the charges were fabricated and part of a campaign to discredit it. Relations between the church and the government have been sour since a Zapatista peasant uprising in 1994.



INTERNATIONAL

BORED: *Depression Amid the Wealth*

Continued from Page 1

Valium and other tranquilizers prescribed elsewhere.

Russian women do not usually accompany their husbands to business dinners or out-of-town conferences. Nor do they attend social events on their own. Mrs. Averyanova, who taught piano until her husband insisted that she stop, said that although she yearned to go to art gallery openings and receptions, her husband was too busy to take her and she would not dream of going alone.

The social organizations that occupy affluent housewives in the West — garden clubs, book clubs, even the PTA — have not yet taken hold in Russia. Philanthropy, a relatively new thing here, is mostly handled by the tycoons who made the money and want credit for disbursing it.

Volunteer work, too, common among the wives of foreign diplomats and businessmen here, has not caught on.

"The system isn't established here," said Olga Dubova, the wife of a top executive at Logovaz, the country's largest car dealership.

"We would love to do charity work," Mrs. Dubova said. "But you can't just drop by a prison or a hospital. There is a whole bureaucracy in the way."

She added that higher-profile charity work — fund-raising or charity balls — was taboo.

"Raisa Gorbachev annoyed the public by being too visible," Mrs. Dubova said. "Most husbands want to keep their wives in the shadows."

The closest thing to public scrutiny of their problems was a recent episode of the television talk show "My Family." The topic was the new rich, and the program featured a masked man who said he was a gigolo for the wives of rich businessmen.

"What you have to understand," he told the snickering studio audience, "is that most of these women are really lonely. Their internal life is not as easy and comfortable as it appears on the outside."

Feelings of isolation are compounded by the grim realities of financial success in Russia. Many have moved to high-security compounds in the suburbs. Bodyguards drive them to their appointments.

Bodyguards also take the children to their expensive private schools. Armed guards patrol school playgrounds. Kidnapping, common but rarely reported, is one of the rich Russian mother's greatest terrors. An academy in St. Petersburg recently began advertising courses to train nannies in the martial arts.

Economic dependence breeds passivity; all of the women interviewed seemed to be waiting for someone to rescue them.

"I look in the newspapers every day to see if anyone has created a women's club," Mrs. Averyanova said wistfully. "If only someone would organize us."

There have been efforts to create a club for women of wealth in cities like Moscow and St. Petersburg, but none have come to fruition.

The closest equivalent is a luxurious new private club in Moscow called Monolith, founded by rich businessmen and government officials, which advertises itself as a "family club." A pink marble emporium, it boasts a French restaurant, an English-style game room, a fitness center, a beauty salon and a children's playroom.

Vladimir Popov, a manager of the club, dryly explained the modus operandi of the rich nuclear family at play.

"Men are supposed to go somewhere with their families on weekends," he said. "Here the wife goes to the sauna, the kids go to the playroom and the husband goes to the bar to talk with his friends — officially, it's a family day."

Olga Zdravomyslova, a researcher at the Center for Gender Studies in Moscow, has conducted interviews with rich housewives for five years.

"They find themselves totally dependent on their husbands, cut off from old friends whose economic stations are now totally different, and alone," she said. "There is no role for them in our society."

Anatoli Maltsev/The Associated Press

REDCAP SERVICE — Part of a special force of 250 policemen in St. Petersburg preparing Tuesday to begin work, including assisting tourists. The officers, who wear red caps, all speak foreign languages.

Male chauvinism is as rampant among young businessmen as it is among pensioners.

"Sergei says that anything a woman can do, a man can do better," said Anya Lisovskaya, 29, paraphrasing her husband, one of Russia's most successful young businessmen. Mr. Lisovsky, 36, a music promoter turned advertising mogul, was a major fund-raiser for President Boris Yeltsin's re-election campaign last year.

In an interview before the election, she explained, "He says it's better for women to stay at home and look after the family."

Married for five years, they have no children, but Mrs. Lisovskaya said her days were quite occupied.

"I take English lessons three times a week. I go to the gym five times a week and work out with a trainer. I make dinner for Sergei when he can come home, so really I am quite busy." She added that he rarely made it home for dinner.

"What can I do?" she asked with a shrug. "There is so much he wants to achieve. When we are old, we can sit down and enjoy our life."

NATO: *Alliance and Russia Appear Near Agreement on Plans for Eastward Expansion*

Continued from Page 1

say, would be to hold a special NATO-Russia summit meeting arcund the end of May, when President Bill Clinton is scheduled to visit Europe for ceremonies marking the 50th anniversary of the Marshall Plan.

"It would be difficult if not embarrassing for Yeltsin to show up in Madrid when the meeting will be dominated by NATO enlargement to the east," a senior NATO diplomat said. "The Russians are saying they want to come first in the sequence of events and would prefer to be at center stage, especially if it could be the G-7 session in Denver."

The jockeying over dates and venues is one of the surest indications that Russia wants to conclude negotiations by the early summer on a special "16 plus 1" relationship with the Western military alliance long viewed as its worst enemy.

Mr. Solana and Mr. Primakov are now close to a full understanding on the principles and areas of cooperation under a permanent consultative forum linking NATO and Russia that would meet at various levels, from ambassadors up to heads of state, at least once a month.

"There are still some tricky issues on the military consequences of enlargement that may go down to the wire," said a senior NATO official. "But the Russians are leaving no doubt that they are very serious about reaching an agreement well before the Madrid summit."

The new consultative forum would have its own secretariat, probably at NATO headquarters. Russia would have a voice but not a veto over subjects that would include joint peacekeeping missions, terrorism, nuclear proliferation, missile defense, environmental matters and how to transform military industries for civil purposes.

Both sides have now exchanged draft texts and could wrap up final language on the political chapter of the document in the next few weeks, officials said. But achieving a mutually acceptable compromise on the military aspects of NATO enlargement still looms as the toughest nut to crack.

Russia is demanding stronger guarantees that NATO will not deploy nuclear weapons or permanently station foreign troops on the territory of new members. NATO has declared it has no plans nor does it foresee a need to deploy nuclear weapons, but cannot offer an absolute ban.

On troops, NATO wants to keep open the possibility of dispatching NATO troops to new member states on a temporary basis for military exercises, peacekeeping missions, or security emergencies.

Russia also worries about alliance military infrastructure moving east and greatly enhancing the war-fighting capacity of neighbors that have long served as a territorial buffer zone.

"The Russians say they do not want NATO membership to give any neighbor an attack capability that goes beyond present defense systems," a NATO official said. "We are trying to design a package that would calm their fears yet not diminish NATO defense or create second-class citizens among new members."

BRIEFLY

Algeria Introduces 5-Day Workweek

PARIS — Algeria is cutting the standard workweek to five days from six, Algerian state radio reported Tuesday.

The radio said that from now on the workweek would run from Saturday to Wednesday with the day beginning at 8 A.M and ending at 4.30 P.M. with a one-hour break for lunch at 1 P.M.

Algerian employees worked six days a week and eight hours a day until the change, introduced by a law aimed at creating new jobs to ease unemployment. *(Reuters)*

German Hostages Are Freed in Yemen

SANAA, Yemen — Seven German motorcycle tourists kidnapped by Yemeni tribesmen were freed Tuesday after being held hostage for a week in an isolated mountain hideaway, the German Embassy here announced.

An embassy spokesman said the seven were exhausted but in good spirits after their eight-day ordeal, and were being taken to the town of Sayun, about 500 kilometers (310 miles) east of Sanaa, in Hadramut Province. The Germans, all men in their 30s and 40s, were taken hostage by about 50 armed tribesmen March 3 while touring eastern Yemen. *(AFP)*

Assault Possible, Fujimori Says

LIMA — President Alberto Fujimori said Tuesday that the government would try to resume talks with rebels of the Tupac Amaru Revolutionary Movement soon, but also would continue planning for a possible use of force to free the 72 hostages held in the Japanese ambassador's residence here.

The remarks came one day after the government canceled a round of talks with the Marxist rebels shortly before it was to begin. *(AFP)*

Gunmen Kill Haitian Official

PORT-AU-PRINCE, Haiti — Gunmen shot and killed the head of the Justice Ministry security guard, the latest violence in a two-week crime wave in which at least 32 people have died.

Two men on a motorcycle fired on Avrinel Charles as he was having a flat tire repaired Monday afternoon at a Port-au-Prince service station, witnesses said. A motive for the killing wasn't known, and there were no immediate arrests.

At least three police officers have been killed in the last two weeks during a rash of slayings and robberies. Radio Metropole said Monday that a fourth officer had died of wounds suffered in a drive-by shooting last week. The report could not be confirmed. *(AP)*

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INTERNATIONAL

U.S. Claims Small Drug-War Victory

Treasury's Moves Cripple Cartels' Money-Laundering Scheme

By Robert D. McFadden
New York Times Service

NEW YORK — For years, drug cartel money-launderers in New York have been sending as much as $1.3 billion a year back to Colombia through storefront shops that immigrants use to wire cash home.

The major restraint on this electronic smuggling has been a federal requirement that transactions of more than $10,000 be reported to the government.

But since last summer, as drug agents were due to testify in Congress on Tuesday, a Treasury Department order quietly imposing a limit of $750 per transaction on 1,600 remittance shops suspected of wiring most of that illicit money has resulted in a small victory in the war on drugs. The order has sharply cut the electronic transfers to Colombia and forced the cartels to return to older, cruder methods of smuggling money in bulk.

Faced with the alternative of wiring fortunes in penny-ante increments or submitting identification cards with their transactions, cartel operatives have gone back to stashing cash in coffins, bowling balls and other hiding places, investigators said Monday.

But the drug sleuths have been waiting for them. At airports and seaports along the East Coast, agents seized $29 million in smuggled money in the first three months the order was in effect, compared with $7 million in the like period a year earlier, investigators said.

Meanwhile, the cartels' wire transfers to Colombia have all but dried up.

"The order has in effect shut down the money remitters as an avenue for narcotics proceeds, forcing launderers to resort to bulk currency shipments," Andre Flores, the chief agent of the U.S. Customs Service on Long Island, New York, said in an interview Monday. "The $750 limit is a major hurdle when you have to move $500,000."

In an effort to persuade Congress to tighten currency restrictions and make the Treasury limit on money transfers to Colombia and other sources of illegal drugs permanent, a group of federal law-enforcement officials were scheduled to testify in Washington on Tuesday before the investigations subcommittee of the House of Representatives' Banking Committee.

■ Clinton Makes Pitch for Mexico

David Stout of The New York Times reported from Washington:

President Bill Clinton met with nine senators Monday night to seek their support for his decision to certify Mexico's anti-drug campaign, and several of the lawmakers said afterward that Mr. Clinton had made a good case.

The senators were briefed by the president and several cabinet-level aides, including Attorney General Janet Reno and General Barry McCaffrey, the drug-policy director. The officials argued that refusing to recertify Mexico as an ally in the battle against drugs would be against U.S. interests, the senators said.

"People listen to that," said Senator Patrick Leahy, Democrat of Vermont. "It's easy to treat Mexico in simplistic terms."

Senator Richard Lugar, Republican of Indiana, spoke of "the very serious situation" that would be created by decertifying Mexico. But he stopped short of saying that Mr. Clinton had won him over completely.

Mr. Lugar and Mr. Leahy said an alternate resolution was being worked on by Senators Kay Bailey Hutchison, Republican of Texas, Christopher Dodd, Democrat of Connecticut, and others. They declined to discuss its wording, but it seemed likely from their tone that the resolution would walk a diplomatic tightrope — expressing American resolve to continue the war on drugs while applauding efforts by Mexico to improve its performance.

It is not clear that Mr. Clinton has majority support in the Senate or the House for recertifiying Mexico.

U.S. Seizes Video Said to Show Object Aimed at TWA Jet

The Associated Press

NEW YORK — The FBI has seized a videotape that is said to show an object speeding toward TWA Flight 800 seconds before the plane exploded, killing all 230 people aboard.

The U.S. District Court in Brooklyn issued a subpoena for the seizure Monday night from the home of a retired United Airlines pilot, Richard Russell, as part of the criminal investigation into the July 17 crash, a person close to the investigation said Tuesday, speaking on condition of anonymity.

The tape is to be reviewed by a federal grand jury, possibly as early as Wednesday, this person said.

Mr. Russell said the video was a copy of a Federal Aviation Administration radar tape. He refused to say how he had obtained it.

Martin Kippenberger, 43, Dies; German Mixed-Media Artist

New York Times Service

Martin Kippenberger, 43, widely regarded as one of the most talented German artists of his generation, died of cancer Friday at the University of Vienna Hospital.

A dandyish, articulate, prodigiously prolific artist who loved controversy and confrontation and combined irreverence with a passion for art, Mr. Kippenberger worked at various points in performance art, painting, drawing, sculpture, installation art and photography and made several musical recordings.

He was a ringleader of a generation of "bad boy" German artists born mostly after World War II that emerged in the wake of the German neo-Expressionists. His penchant for mixing media, styles and processes influenced younger artists on both sides of the Atlantic.

He moved to Vienna last year.

Dame C.V. Wedgwood, 86, British Writer-Historian

LONDON (AP) — Dame C. V. Wedgwood, 86, one of Britain's most eminent and widely read historians, died Sunday in London after a long illness.

Dame Wedgwood specialized in 17th-century history, and her colorfully written works on the English Civil War. "The Thirty Years' War," published in 1938, is regarded as the standard work on the subject.

Her 1944 biography of a Dutch monarch, "William the Silent, Prince of Orange," won the prestigious James Tait Black prize in Britain. The Netherlands made her an Officer in the Order of Orange-Nassau in 1945.

Dr. Pierre M. Galletti, 69, a leading researcher on artificial organs and tissue engineering who helped found the Brown University School of Medicine in Providence, Rhode Island, died Saturday of head trauma from a fall.

Stan Drake, 75, illustrator of the comic strip "Blondie" and creator of the classic romance strip "The Heart of Juliet Jones," died Monday in Norwalk, Connecticut, after a long illness.

Kinnosuke Yorozuya, 64, one of Japan's most popular actors in period movies, died of pneumonia Monday near Tokyo.

Lars Ahlin, 81, regarded as one of Sweden's top working-class writers, has died. No date or cause of death was reported.

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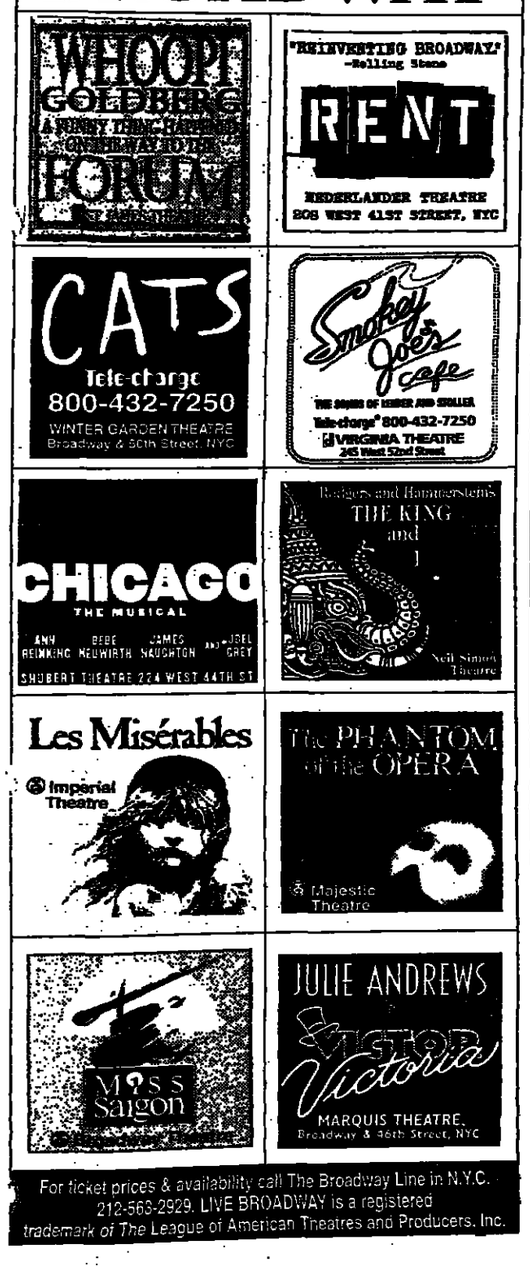
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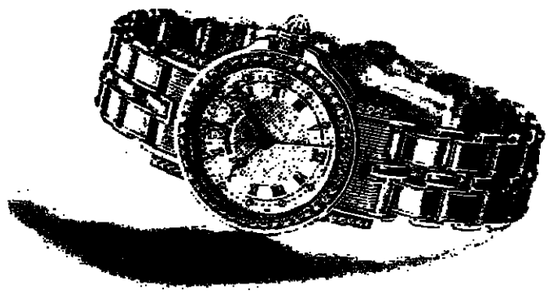

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ASIA/PACIFIC

Trade Issues Drive Hanoi's Pledge to Pay Debts to U.S.

By David E. Sanger
New York Times Service

WASHINGTON — Vietnam's agreement to repay the United States millions of dollars in debts incurred by the former South Vietnam is a sign of how far the dialogue between Washington and Hanoi has moved beyond questions over the remains of prisoners of war and toward broader, trade-related issues, American officials say.

Vietnam agreed Monday to repay the United States millions of dollars in debts incurred by the Saigon government for roads, power stations and grain shipments before it fell to North Vietnamese forces in 1975.

The agreement, struck Saturday in Hanoi, ends several years of negotiations with Vietnam over the assumption of the debts, now worth about $140 million. Many of those debts were incurred to bolster the South's war effort, including the country's main railroad and water systems and a major power plant for Saigon, now called Ho Chi Minh City.

Vietnam did balk at repaying $12 million in outstanding loans for the "Food for Peace" program, arguing that through a series of complex transactions the United States used money that was ostensibly earmarked for grain purchases to help finance the Vietnam War.

U.S. officials said the accord signaled movement in the U.S.-Vietnam dialogue toward questions of how the Communist government will be integrated into the world economy.

"The Vietnamese leaders have a clear economic agenda," a senior U.S. official said. "And they knew that resolving this debt issue was one of the hurdles they had to get past before they get the trading rights they want."

Hanoi was also motivated by the visit of Treasury Secretary Robert Rubin, who is scheduled to arrive early next month.

Under the accord, the Vietnamese have 20 years to repay loans issued to the South. The first payment is due next month, shortly after Mr. Rubin's visit, which comes at a time when American companies are exploring large investments in Vietnam, though they have been hesitant because of many of the country's trading barriers.

Since President Bill Clinton normalized relations with Hanoi in July 1995, the two countries have been negotiating over the many ways in which the Vietnamese economy must change before the administration grants preferential trading status to Hanoi, including low tariffs on imported goods.

That issue was high on the agenda when Warren Christopher, then secretary of state, visited Vietnam in August 1995 to raise the U.S. flag at a new embassy in Hanoi. Mr. Christopher was looking to celebrate the end of a raw chapter in American history; the Vietnamese were more interested in talking to members of his delegation about trade status, economic reform issues and getting the country into the World Trade Organization.

Talks since then have advanced painfully slowly. Vietnam maintains many of the same trade barriers that U.S. officials complain about in China: Foreigners are not permitted to trade directly with customers in Vietnam (though many strike deals on the side), the country maintains strict import quotas and licensing requirements for companies that want to trade there and it prohibits many kinds of foreign investment.

Like China, Vietnam has been hesitant to make the kinds of concessions that would open its state-dominated enterprises to foreign competition. But over the last several months, it has been working with the United States to draft the specific language of a trade accord, one of the prerequisites for preferential, or "most-favored nation," trading status.

Haggling over the wording of that accord, one official said Monday, "could take up much of the rest of the year."

Before most-favored-nation status could be granted, Mr. Clinton would also have to waive a legal provision, known as the Jackson-Vanik amendment, that concerns freedom of emigration. A similar waiver concerning China triggers an annual human rights debate in Congress, and the arguments would probably be equally heated in Vietnam's case.

Farm Minister In North Korea Is Replaced

Reuters

TOKYO — Struggling to recover from two years of devastating floods, North Korea named a new farm minister Tuesday in the latest of several changes in the country's power structure.

A broadcast by the North's official Korean Central Radio, monitored in Tokyo, referred to Han Ik Hyon, a regional farm committee chairman, as chairman of the State Agricultural Commission, or farm minister.

The radio did not say when Mr. Han took over from Kim Won Jin, who had been farm minister since 1990 and was last mentioned by North Korea's official media 10 months ago.

Mr. Han's title was revealed in a list of dignitaries who attended an official function, said Radiopress, which is based in Tokyo and which monitors North Korea's state media.

Mr. Han, whose age was not given, was neither a member nor alternate member of the several-hundred-strong central committee that rules the reclusive Stalinist nation.

Radiopress analysts speculated that Mr. Kim may have been dismissed for his failure to get the country's agricultural production back on course after floods in 1995 and 1996 caused near-famine.

Korean News Service/Reuters

North Korea's leader, Kim Jong Il, surrounded by officers and pointing in an official photograph as he inspected an army unit at an unidentifed location.

Mr. Han's elevation to a cabinet post follows a month of drastic changes in North Korea's leadership.

Pyongyang has requested food aid from the United States, China and other countries.

The issue is linked to North Korea's participation in talks to sign a peace treaty formally ending the 1950-1953 Korean War.

In January, the Food and Agriculture Organization, an arm of the United Nations, said that food shortages in North Korea were likely to worsen considerably this year and require large-scale international assistance to ensure that minimum needs are met.

"Two successive years of floods have undoubtedly set back agriculture and significantly compounded underlying food production problems in the country," an FAO report said.

China Discloses Blast In Mine; 89 Are Dead

Compiled by Our Staff From Dispatches

BEIJING — An explosion in a privately owned coal mine in central China has killed 89 people and injured nine, according to local officials.

The blast, which occurred March 4 at a mine in Henan Province's Lushan county, prompted the provincial government to announce that it would close all unlicensed or unsafe mines by mid-April.

As an initial response, all 100 mines in Lushan have been closed temporarily pending the results of an investigation into the causes of the disaster, Yuan Zhoukan of the county's emergency services said.

The three owners of the mine were detained after the explosion, Mr. Yuan said by telephone. A report distributed in Hong Kong earlier said the owners had fled.

"There was a single explosion in one of the three small tunnels within the mine, but two other tunnels immediately collapsed as well," Mr. Yuan said.

The disaster was the latest in a long series of large-scale mining accidents across China, most of them at small, private mines — many of them unlicensed — that ignore state safety rules. A circular issued shortly after the explosion by the provincial government in Zhengzhou ordered a survey of every mine in the province and said all unregistered operations had to close by the end of this week. Mines that have valid licenses but are found to violate safety regulations must be closed by April 15, it said.

In January, 31 people were killed and four seriously injured in an explosion in a coal mine near Yima, also in Henan, and in November, 114 people were killed in a coal mine explosion in the northern province of Shanxi.

Explosions and other accidents kill as many as 10,000 Chinese miners a year, with coal mines accounting for more than one-third of the toll, government statistics show.

(AFP, Reuters)

BRIEFLY

Support for Rewriting History

HONG KONG — Hong Kong's future leader, Tung Chee-hwa, on Tuesday threw his support behind China's proposal to rewrite parts of school textbooks after the British colony is returned to Beijing later this year.

"There are areas where textbooks need to be rewritten and other issues, which refer to the colonial past, that need to be looked at," Mr. Tung said.

Possible changes include not only simple references to China, which in future will become a "sovereign" instead of the current "neighboring country" but also those describing sensitive issues like the 19th century opium wars, Mr. Tung said.

Britain prized Hong Kong from China a century and a half ago through the gunboat diplomacy and so-called opium wars that were sparked over opium that Western traders were shipping to China. *(Reuters)*

Hong Kong Deports Vietnamese

HONG KONG — The government deported 102 Vietnamese on Tuesday, while 50 others staged a roof-top protest at a camp, calling on the government to honor a court ruling that they should be screened to see if they deserve asylum.

Those deported — 71 men, 16 women and 15 children — were flown to Hanoi. Their departure brought to 9,802 the number of Vietnamese sent home since November 1991, the government said.

Meanwhile, 50 Vietnamese protesters say that despite an order five months ago by Hong Kong's highest court of appeal, the government still has not screened them. The Hong Kong government considers them illegal immigrants because they arrived from China. *(AP)*

Blast at Japanese Nuclear Site

TOKYO — Fire accompanied by what sounded like an explosion broke out Tuesday night at a nuclear waste handling facility northwest of Tokyo, shattering windows and sending out smoke, company executives said.

No one was injured, and no one was in that part of the facility at the time, said Masato Sukegawa, a spokesman of the state-run Power Reactor and Nuclear Fuel Development Corp. *(AP)*

Seoul Campaigning Starts

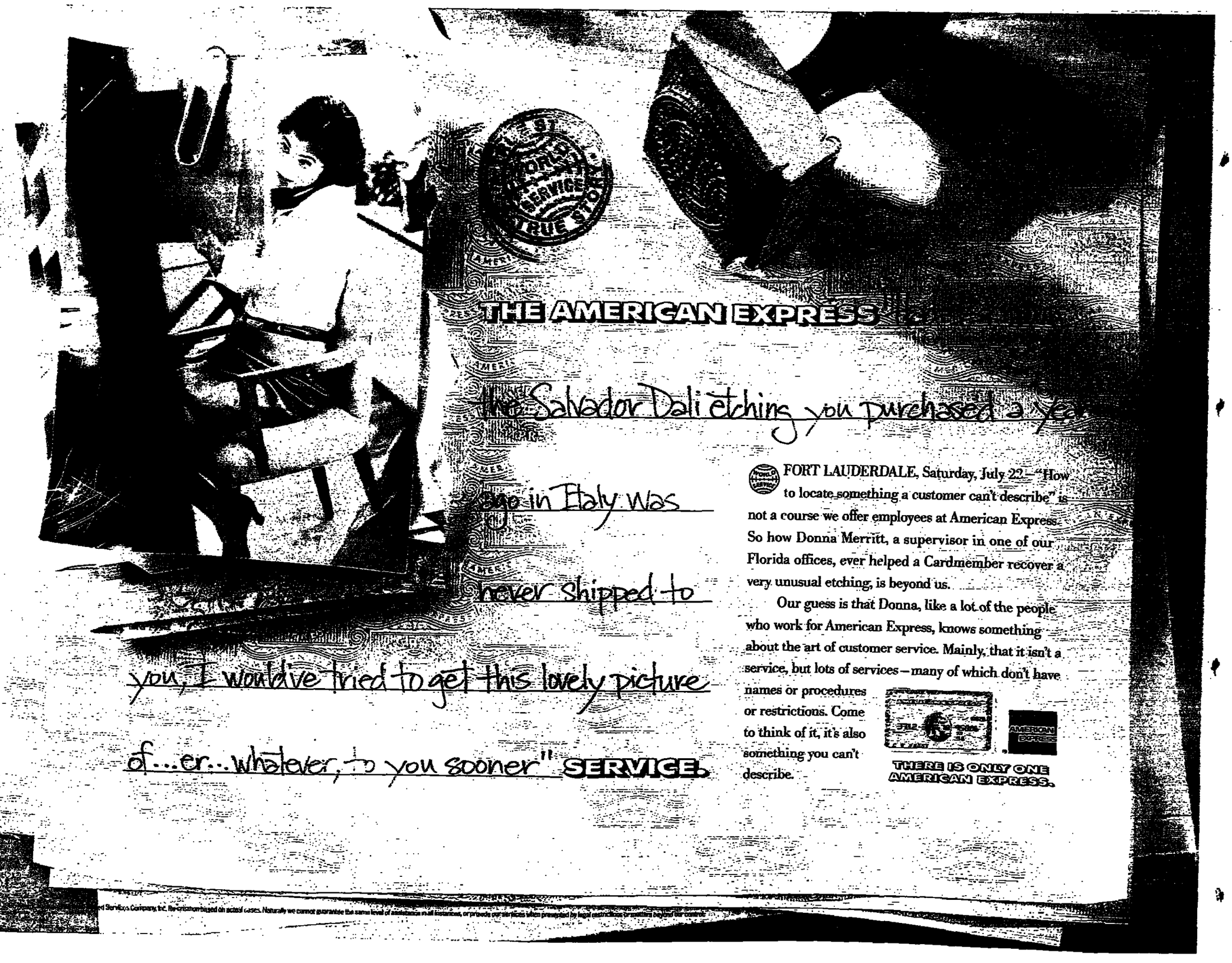
SEOUL — Lee Hong Koo, the chairman of the ruling New Korea Party, on Tuesday kicked off the presidential race by challenging other party elders to policy debates.

Mr. Lee, who is to step down as party chairman on Thursday, said he would campaign to win the party's nomination for presidential elections in December. President Kim Young Sam's five-year term expires in February 1998.

"Selection of a new leader must be different from the method in the past," he said. We should break away from politics of money and factional forces. It should be through active policy debates." *(Reuters)*

Thailand Moves Refugees

MAE SOT, Thailand — Officials began moving thousands of Karen refugees to a safer camp on Tuesday as Thailand attempted to tighten its grip on refugees living on its soil, officials and refugee sources said. *(Reuters)*



EUROPE

Yeltsin Dumps Cabinet, Signaling New Reforms

Only Chernomyrdin and Chubais Survive

Compiled by Our Staff From Dispatches

MOSCOW — President Boris Yeltsin, asserting his authority after months of illness, ordered far-reaching cabinet changes Tuesday that could open the way for a new burst of radical economic reform.

In a presidential decree, Mr. Yeltsin ordered Prime Minister Viktor Chernomyrdin to come up with cabinet proposals within a week. But analysts said that Mr. Chernomyrdin's new first deputy, Anatoli Chubais, could be the driving force behind the changes.

Mr. Chubais, who spearheaded privatization from 1991 to 1996, had been out of the government for more than a year because of the public's intense hatred of his policies. He was a liability for Mr. Yeltsin as he fought off a strong Communist challenge in the presidential election last summer.

But Mr. Yeltsin brought him back into the government Friday, winning approval from foreign investors but raising protests from opposition politicians and some commentators, who said he had let a minority loot Russia.

But Mr. Chernomyrdin said: "I think we will send the president proposals on forming the government at the end of the week." It was not clear how many ministers would be reappointed in the new line-up.

Before Mr. Chubais's appointment Friday, Russia had three posts of first deputy prime minister — covering the economy, social issues and industry — and 11 deputy prime ministers.

"First the government will need to concentrate on fiscal and military reforms," Mr. Chernomyrdin said, adding that industry and housing also needed attention.

The main policy guidelines laid down by Mr. Yeltsin in his state of the nation address last Thursday, in which he pledged radical changes and a crackdown on government "fat cats," "must dominate the government's work," Mr. Chernomyrdin added.

Mr. Yeltsin lambasted the government in his speech for its failure to tackle chronic delays in wage and pension payments, accusing bureaucrats of feathering their own nests.

Millions of state workers and pensioners have gone unpaid for months, amid a general internal debt crisis, aggravated by the government's poor record on tax collection.

The appointment of Mr. Chubais — a leading market reformer reviled by the Communists and nationalists who dominate the lower house of Parliament — signaled Mr. Yeltsin's determination to crack the whip to curb the influence of powerful lobby groups.

"Chubais has become practically the most important contemporary Russian politician," the daily newspaper Komsomolskaya Pravda commented.

By keeping Mr. Chernomyrdin as prime minister, Mr. Yeltsin avoided having to get the new government approved by the lower house, the State Duma, said Irina Kobrenskaya, an analysts at the Carnegie Endowment. Mr. Chernomyrdin and Mr. Chubais effectively ran the country during Mr. Yeltsin's absence for heart problems and pneumonia after his re-election in July.

Mr. Chubais is expected to play the key role in pushing through fundamental reforms on a scale unseen in Russia since mass privatization was started and price controls were lifted in 1992.

In his state of the nation speech, Mr. Yeltsin vowed to take personal control over the preparation of next year's budget, and promised reforms of the military, pension system and housing allowances, as well as a crackdown on powerful monopolies, which he accused of stifling the economy by imposing high tariffs. *(Reuters, AFP)*

Michael Urban/Reuters

Chancellor Kohl taking his seat at the weekly meeting of his cabinet in Bonn on Tuesday as coal miners continued their protests outside.

Coal Miners Again Tie Up Bonn, Then Start to Leave

The Associated Press

BONN — Whistling and jeering, thousands of coal miners paralyzed the federal government district for a second successive day Tuesday to protest planned cuts in mining subsidies.

Chancellor Helmut Kohl's government put off a scheduled meeting with mining union leaders until Thursday, saying that it would not talk under pressure.

Hans Berger, head of the union, urged the miners to return home later Tuesday, and they began to disperse.

About 5,000 demonstrators gathered by midday near Mr. Kohl's fenced-off office building.

About 150 demonstrators scuffled with the police after breaking through barricades and heading toward the Parliament building on the edge of the Rhine. The demonstrators retreated after opposition politicians at the rally appealed for calm.

Union officials say the subsidy cuts would wipe out 60,000 of the industry's 90,000 jobs.

Despite the protests and pledges of support from the opposition Social Democrats, some miners saw little hope of reversing the industry's fate.

"Future? There is no future," a miner, Klaus-Dieter Schmidt, said wearily.

Morning commuters sat in traffic jams Tuesday as police rerouted vehicles around Bonn's main thoroughfare, which was occupied by throngs of miners.

Protesters chained themselves to the headquarters of the Free Democratic Party, the junior partners in Mr. Kohl's governing coalition and the most vocal free-market force in German politics.

Miners also gathered at the headquarters of Mr. Kohl's Christian Democratic Union a few hundred meters along the street.

Hundreds of protesters had spent the night in Bonn, some in tents and others sleeping in the headquarters of the Social Democrats.

Protests also continued Tuesday in Saarland state and the Ruhr Valley, Germany's two main coal areas.

German coal miners walked away from the pits and started daily demonstrations Friday after Mr. Kohl's government said it would cut federal coal subsidies from about 9 billion Deutsche marks ($4.1 billion) a year to 3.8 billion marks by 2005.

A ton of German coal costs 260 marks to produce, compared to a world market price of about 100 marks a ton. To preserve jobs, the government makes up the difference with subsidies.

A 1994 law provided for cuts in subsidies, but the government long put off working out the unpopular details.

EU Blocks France On Time Changes

Agence France-Presse

BRUSSELS — France's attempt to have the twice-yearly clock change in Europe abolished was blocked Tuesday by its European Union partners at talks here.

EU transport ministers voted to extend the current rules governing time changes, which expire next year, until 2001.

Under the existing framework, all EU countries put their clocks forward one hour at the end of March and back one hour at the end of October on the same day. Most countries are one hour ahead of Greenwich Mean Time in winter, with Britain, Ireland and Portugal on GMT and Finland and Greece two hours ahead.

France had insisted it would end the time changes, claiming that two-thirds of the French population support the move. It could have faced legal action by the EU's high court and caused disarray in transport companies' timetables for the coming years.

BRIEFLY

French Officials Cleared in Blood Scandal

PARIS — France's top prosecutor recommended Tuesday that charges be dropped against a former prime minister and two other former officials regarding their involvement in the contamination of about 1,300 French hemophiliacs by AIDS-tainted blood in 1985.

The recommendation by the chief prosecutor, which was based on lack of evidence, means the three former officials are almost certain to avoid trial.

Former Prime Minister Laurent Fabius, former Social Affairs Minister Georgina Dufoix and former Health Minister Edmond Herve, members of the 1984-1986 Socialist government, had been charged with "complicity in poisoning," which carries a maximum 30-year prison sentence.

The scandal erupted in 1990 following disclosures that in 1995 health officials had knowingly used blood supplies contaminated with the AIDS virus. More than 500 hemophiliacs have since died from the transfusions. Four high-ranking health officials have been convicted, and two have been jailed. *(AP)*

Austria Paid $58 Million to Victims of Nazis

VIENNA — Austria paid victims of Nazism 700 million schillings ($58 million) in 1995 and 1996, the Parliament's president, Heinz Fischer, said Tuesday.

According to Mr. Fischer, more than 11,000 people who were persecuted, or escaped persecution, by the Nazis in Austria each received around 70,000 schillings from a special fund set up in 1995. Mr. Fischer said Austria would pay 600 million schillings in 1997 to victims of Nazism. *(AFP)*

Swedish Prime Minister Hits Low in Poll

STOCKHOLM — Prime Minister Goran Persson of Sweden has scored the lowest popularity rating ever given to a prime minister by the IMU/Testologen polling agency, in a survey marking his first 12 months in office.

Mr. Persson, who heads the minority Social Democratic government, got 2.4 points out of a possible five in a poll published Tuesday in the daily Aftonbladet. *(Reuters)*

Basque Prison Psychologist Killed by ETA

SAN SEBASTIAN, Spain, — A Spanish prison psychologist died after being shot three times in the head by Basque separatist rebels Tuesday, officials said.

Javier Garcia Elosegui, 37, died shortly after being taken to the hospital. Basque police detained one of two attackers, a member of the Basque armed separatist movement ETA, according to the Interior Ministry. The other attacker, a woman, fled the scene. *(Reuters)*

Sweden Pleads for Chemical-Arms Treaty

GENEVA — Sweden on Tuesday deplored the failure of the United States and Russia to ratify the global ban on chemical weapons.

Sweden's foreign minister, Lena Hjelm-Wallen, told the 61-nation Conference on Disarmament that it was "a deplorable fact that the United States and Russia — the two declared possessors of chemical weapons — have not yet ratified the convention," which goes into effect April 29. *(AP)*

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Isolated and in Ruins, Bosnia's Serb Republic Could Face War

By Chris Hedges
New York Times Service

LUKAVICA, Bosnia-Herzegovina — The collection of warehouses that makes up a sprawling factory less than a mile from the Bosnian capital stand as a bleak harbinger of the Bosnian Serbs' future.

The Famos factory, once owned by the Yugoslav government, employed 3,500 people making truck and bus engines and car parts before the Bosnian war began five years ago.

At the end of the war in 1995, this factory was seen by the Bosnian Serbs as the prize that would help regenerate their economy. It was to be the industrial centerpiece around which they would build a new Serb-controlled capital on the edges of the existing Bosnian capital, Sarajevo, which is under the control of the Muslim-led Bosnian government.

The factory had been in the Sarajevo suburb of Ilidza, but its 2,000 machines were dismantled and moved to Lukavica last year, to an area controlled by the Bosnian Serbs. The move took place before Ilidza was turned over to the government as part of the peace agreement reached in late 1995 in Dayton, Ohio.

Under the agreement, Bosnia was to include two distinct political entities — one controlled by a coalition of Muslims and Croats and the other by Serbs, their self-styled Republic of Srpska — with a national structure to coordinate the two.

But the Bosnian Serb entity has refused to honor many of the Dayton terms. As a result, it has been cut off from international aid and remains isolated. The steady political and economic decline of Srpska, along with the refusal to honor the Dayton agreement, has left many Western diplomats warning that the enclave will pose an easy, and increasingly tempting target, to the Bosnian Muslim army once North Atlantic Treaty Organization peacekeepers depart next year, although such an attack would trigger another war.

The decaying Republic of Srpska could offer a tempting target for the Bosnian Muslims.

The failure of the Famos factory, owned by the Bosnian Serb leadership, is one of the most visible symbols of the looming breakdown of its political entity. In the last year, the factory has produced only 20 engines and 50 clutches, which were sold to the state-run bus company in neighboring Yugoslavia. The Bosnian Serbs have been unable to sign any contracts with foreign firms or to lure outside investment.

The rest of the Bosnian Serb structure is faring no better. Its military is still largely run by General Ratko Mladic, who has been indicted by the UN commission at The Hague for war crimes, although he was publicly removed from his position last year.

But the Bosnian Serb army, no longer financed by Yugoslavia, has dwindled from 40,000 to 12,000 soldiers. Thousands of demobilized soldiers are unable to support themselves, and much of the military's equipment is rusting from lack of maintenance and spare parts.

Although Radovan Karadzic, the former leader who also has been indicted for war crimes, was forced to resign under international pressure, he still wields enormous influence. And the current leadership is openly feuding.

The areas of Bosnia controlled by the Serbs have frequent power outages, the hospitals lack medicine and schools are often without books.

There has also been a huge exodus, to Yugoslavia and neighboring European nations, especially by the young, professionals and skilled labor. Like Famos, most factories sit nearly idle. The unemployment rate is 90 percent. Of the 800,000 Bosnian Serbs, 300,000 were displaced from their homes by the war.

The implications of a collapse of the Bosnian Serb entity are enormous. Under the Dayton agreement, tens of thousands of Muslims displaced from their homes by the Serbs have a right to return home.

So far, however, the Serbs have allowed none to go back.

NATO strategists say that the Bosnian government increasingly sees the Serb zone as an easy military objective. These commanders say that if the peacekeeping forces withdraw it will be difficult to hold the Muslim-led government back.

"At least this war would probably be swift," said a Western diplomat. "And frankly there would be little sympathy for the Bosnian Serbs given their role in the war, their refusal to cooperate with the joint government institutions and their refusal to let displaced people go home. War, in fact, might be the best solution."

The despair and malaise that now infect the areas of Bosnia controlled by the Serbs is palpable in nearly every village.

On a recent day, Milena Jevric clutched a plastic container filled with her daily soup ration and walked in shoes several sizes too large up a muddy road in the village of Brezovice, about 20 miles northeast of Pale.

"As a girl I lived like this, after the second world war — and as an old woman I live like this again," she said. "We have no more savings. We are destitute. Most of the young people are leaving. The country is dying. I just struggle to eat."

The Bosnian Serb leadership in Pale, in a move to establish a link with Yugoslavia, signed an agreement with the government in Belgrade that included a promise of military cooperation.

The agreement, which Muslim leaders and Western diplomats said violated the Dayton peace agreement, also spelled out cooperation in areas such as foreign trade, border traffic, citizenship and customs.

But while the economic cooperation outlined in the agreement is mostly smoke and mirrors, it defiantly resurrects the apparent effort by President Slobodan Milosevic to integrate the Bosnian Serb enclave into Yugoslavia, which triggered the Bosnian war in the spring of 1992.

The Bosnian Serb leadership, however, defends the agreement.

"We have bonded ourselves to Belgrade with this agreement," said Momcilo Krajisnik, the Bosnian Serb member of the tripartite presidency. "We are Serbs, and we will never be ruled by the Muslims."

NYT

BRIEFING: *Sparring Over China*

Continued from Page 1

that the FBI's statement was erroneous, The Associated Press reported. But, he said, it was possible the national security aides misunderstood the ground rules when they were briefed on the matter.]

The clash came as relations between the White House and the Justice Department appear increasingly strained by an inquiry into the fund-raising operations of the Clinton re-election effort.

The new squabbling on fund-raising also seemed certain to complicate Mr. Clinton's effort to win Senate confirmation of Anthony Lake as CIA director. Mr. Lake was the National Security Council chief at the time of the FBI briefing.

As they prepared to open hearings into the nomination Tuesday, Senate Republicans planned to question Mr. Lake about his knowledge of the China investigation.

The White House has accused the FBI of withholding information vital to the conduct of foreign policy. The Washington Post reported that the FBI last June also provided classified briefings to six members of Congress, warning them that they had been targeted by Beijing as possible recipients of illegal campaign contributions.

Four of those legislators, all Democrats, have identified themselves: Senators Dianne Feinstein and Barbara Boxer of California, Senator Daniel Patrick Moynihan of New York and Representative Nancy Pelosi of California.

In December, the Justice Department concluded that Chinese representatives had developed a plan to funnel nearly $2 million not only into congressional campaigns but also into the presidential contest. China has denied that its government tried to influence the U.S. elections, and on Monday it lodged a formal protest over the news reports with the U.S. Embassy in Beijing.

During his news conference, Mr. Clinton said he had ordered his staff to find out why he had not been made aware of the FBI suspicions.

Such information, he said, would have raised "a red flag," which might have influenced his already delicate dealings with China or generated more wariness about questionable contributions to the Democratic National Committee and White House visits that since have caused him so much trouble.

"It didn't happen; it should have happened," Mr. Clinton said of what he called the FBI's failure to allow warnings to be passed to him and to senior White House officials.

The public focus on China's alleged campaign involvement comes at a sensitive moment diplomatically. Mr. Clinton has made an effort to reach out to China, and Vice President Al Gore leaves next week for a visit to Beijing. Mindful of that, Mr. Clinton cautioned several times Monday that the accusations are unproved and "it's very important not to accuse people of something that you don't know they have done."

Officials said that Raymond Beers, the head of the National Security Council's intelligence programs office, and Edward Appel, an FBI special agent detailed to the council, were briefed at the White House on June 3 about the alleged Chinese efforts to target members of Congress.

The briefing was conducted by two FBI counterintelligence specialists, Jerry Doyle and Ray Wickman.

"What they did was proper," a senior intelligence official said of the FBI agents' briefing. "They provided the information and kept it in intelligence channels but didn't restrict it from higher-ups."

But Mr. McCurry said the two council officials were "adamant" and told the White House counsel, Charles Ruff, "that they were urged by the FBI not to disseminate the information outside the briefing room."

"Therefore, the White House considers the FBI statement to be in error," Mr. McCurry said.

■ Clinton Calls for Free TV Time

Mr. Clinton tried to regain the initiative on the campaign-finance issue Tuesday, calling on broadcasters to give free TV time to political candidates, The AP reported. He urged the Federal Communications Commission to require broadcasters to provide free political air time as a condition of switching to digital broadcasting signals, which permit sharper pictures and more channels.

Sayyid Azim/The Associated Press

COVERING UP — Voters at a polling station near Nairobi beating a man they said was part of a group intending to disrupt a parliamentary by-election Tuesday. He and five other men were arrested for carrying gasoline bombs, whips and machetes. The police reportedly detained 58 others for carrying weapons.

REBELS: *An Assault on Zaire's Discredited Political Class*

Continued from Page 1

Then again, people are welcoming Kabila without knowing whether he is George Washington or a megalomaniac. Is this a new dark age coming for Zaire or an enlightenment?"

For leaders of Zaire's political class, who oscillate between outspoken opposition to Marshal Mobutu and lucrative collaboration with him, what seems increasingly certain is that a military victory by Mr. Kabila would mean a wiping of the slate.

Zaire's leading politicians have tried to have it both ways with the rebel leader, much as they were used to in dealing with Marshal Mobutu.

From denouncing Mr. Kabila as a puppet of neighboring Rwanda at the outset of his insurgency last October, with the collapse of Marshal Mobutu's government apparently near, many have begun sending feelers to Mr. Kabila expressing their agreement on the need for change.

Throughout, Mr. Kabila has kept the courtiers of Kinshasa at arm's length, showing little sign of being flattered.

What many here say they expect is that Mr. Kabila will copy one of his principal sponsors, President Yoweri Museveni, whose own insurgency seized power in Uganda in 1979.

Mr. Museveni has restored economic growth and a measure of order to a country ravaged by Idi Amin and other past dictators, but has been suspicious of democracy.

"If Kabila takes power by force, we will go from rebellion to revolution, with all that that implies," said Roger Nkema, a Zairian banker and former senior government official. "And if Museveni is his model, that means wiping out all pockets of resistance, creating a strong central power and giving himself as much time as he feels he needs to impose his reforms."

The tragedy, many here feel, is that Zaire's political class has had ample opportunity to make things work.

Under heavy pressure at home and from his traditional Western allies, including the United States, Mr. Mobutu decreed an end to his one-man rule in April 1990.

Much of Marshal Mobutu's power was formally stripped away from him the next year. Under a transitional program, Marshal Mobutu was to remain in office as a sort of ceremonial head of state until elections, which were scheduled for 1994.

Marshal Mobutu reneged on these arrangements, using the army to impose his own choice of prime minister. Since then, a cutoff of Western aid to Zaire and strong opposition to the president have limited his ability to govern.

At the same time, however, the Parliament, which from the start seemed more interested in debating its own salary raises and perquisites, has proved an easy mark for the president's allies, who have been able to buy off political opponents.

For months, legislators have sought to unseat the deeply unpopular Prime Minister Kengo wa Dondo, but every time a censure motion comes to the floor, one deputy said, the distribution of cash and favors is enough to persuade even some hardened opponents of the government to stay home.

"If we have arrived at this situation, it is the result of the total failure of politicians who have only pretended to oppose Mobutu," said Albert Booto-Bo-Longonba, a leader of the National Congolese Movement of Lumumba, an opposition party. "If Kabila is on the verge of taking over, it is because the political class has virtually invited him."

ZAIRE: *Looking to the Post-Mobutu Era*

Continued from Page 1

what it called a "conspiracy of silence" over Zaire and called for urgent humanitarian intervention in the country.

[Rebel radio said fighters of the Alliance of Democratic Forces for the Liberation of Congo-Zaire were within 10 kilometers (6 miles) of Kisangani. But a regional military source said the closest rebel unit was still 40 kilometers from Kisangani and said he expected fighting for the city to begin in about 48 hours.]

The anti-Mobutu forces, who reportedly have been aided by Ugandan and Rwandan troops, hold territory within about 50 kilometers of Kisangani, a Western diplomat said.

"Kisangani will go, whether in a few days or a few weeks," he said.

As foreign envoys here exchange guesses on when the city will fall, he said, "the latest estimate I've heard is the end of March."

The diplomat said the rebels were reported to have sent unarmed troops into Kisangani and that they had been seen walking around and chatting with government soldiers.

These rebels are said to be telling troops that an assault is coming within days and encouraging them to abandon their posts. In the five-month-old war, Zaire's underequipped, unpaid troops routinely have abandoned towns as the rebels approached, pausing only to loot as they fled.

But Kisangani, the key transport and economic hub of northern Zaire, is where the military has concentrated its greatest resources, including foreign mercenaries who are thought less likely to surrender without a fight. Zairian newspapers say the military has sown minefields along the city's perimeter.

Still, an exodus from Kisangani has begun. Zaire Air Lines' twice-weekly flights from Kisangani to Kinshasa have been arriving packed, according to policemen at Kinshasa's airport. Travel to Kisangani has been virtually halted, tourist agencies in Kinshasa reported Monday, because the government ordered last week that no more tickets be issued for trips to the city.

"We hear that the upper class and military officers' families are getting out" of Kisangani and the southern mining city of Lubumbashi, the diplomat said.

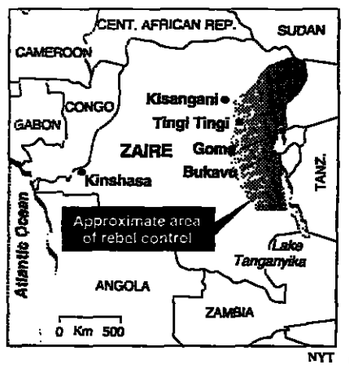
Kinshasa's citizens and newspapers openly discuss the possibility of a military coup or popular uprising if Kisangani falls. "Anything is possible: public disorder, a general military mutiny or a coup d'etat," Mr. Lokuta said.

"Zaire's top military officers are in Kisangani," a diplomat said. "They feel abandoned by the government. No government ministers have been up there to see them, and officers are resentful that government corruption has siphoned off money that should have bought ammunition."

Public support for Marshal Mobutu appears to have vanished since mid-December, when he returned from France to a jubilant reception by Zairians who apparently believed he would swiftly welcome opposition politicians into his government and permit a negotiated settlement with the rebels.

Marshal Mobutu's rejection of all compromise since then has embittered those who cheered him three months ago. Laurent Kabila, the rebel leader, "will not have to fight for Kinshasa," an unemployed local woman, Juliet Muamba, said. "We will welcome him here."

As the position of the government has become marginal, its depiction of reality here has become ludicrous. State-run broadcasts ignore the conflict rending the country. Official television led its weekend newscasts with sports reports. Radio Zaire devoted one sentence this morning to a government condemnation of the rebels, then moved swiftly to a long report on the observance later this month of International Tuberculosis Day.



NYT

POSTMAN: *For Many Japanese, He Is Banker, Financial Adviser and Letter Carrier*

Continued from Page 1

created boom growth for years but now appears to be holding Japan in stagnation. On many fronts, there is resistance to change. But changing the postal savings system, which Japan's leading financial newspaper has called "financial socialism," is sure to be treacherous. As one of Japan's best-known political consultants, Takayoshi Miyagawa, points out, tampering with it has long been taboo.

Leading the charge to preserve the status quo are close to 20,000 "special postmasters" such as Mr. Iemoto. They hold hereditary jobs dating back more than a century.

They have combined extraordinary service, tradition and *giri* — a word connoting a strong sense of obligation to those who have helped you or your family — to create a powerful populist network that stretches across Japan.

Why would any of the people in Mr. Iemoto's town want a change? They get better rates of interest at the post office than at banks. His service includes not only home delivery of money but regular visits by postmen to elderly people living alone and assistance to local companies.

This service translates into strong political power, informal though it may be. As government employees, the postmasters are prohibited by law from campaigning.

"But special postmasters know everyone in their area, so they can just talk about the elections in their daily conversations, as part of their greetings," Mr. Miyagawa, the consultant, said.

Special postmasters have been strong supporters of the Liberal Democratic Party of Prime Minister Ryutaro Hashimoto. That means something: Each postmaster can usually deliver 20 to 30 votes, meaning that a politician whose district has 50 or 60 of them can count on more than 1,000 votes, said Kiyoshi Mizuno, a veteran Liberal Democratic politician and former cabinet member, now Mr. Hashimoto's top aide in charge of administrative reform.

Such a voting bloc helped keep the postal-savings system out of the final draft of Mr. Hashimoto's plan for privatizing Japanese institutions, released in June 1996, although it originally was included, Mr. Mizuno said.

Whether it will continue to protect the postal savings system is the question. Mr. Miyagawa said he believed it would, at least for the short term.

Bankers, who view the system as unfair competition, are making another run at it. In recent weeks, criticism has come from some top economists, politicians and the Nihon Keizai Shimbun, Japan's leading economic newspaper. The paper recently advocated splitting the postal service — which requires no taxpayer money for its operations — into regional groups, which would then be privatized.

Many postmasters, like Takao Harada, 49, are fourth-generation employees. His post office, in the industrial town of Tonda, near the Inland Sea, is on his father's property and next to the house where his father and mother still live. His father, Asao Harada, 80, paid for the construction of the post office and in fact owns the building and rents it to the government.

The postmasters are part of a system that dates to 1871, when reformers trying to pull Japan out of feudalism and into the modern age decided the country had to have a postal system. Short on money, they asked wealthy merchants and farmers to pay the costs in return for status and rights to pass positions on to their sons.

The postal savings system was set up four years later, in 1875, borrowing a practice common in Europe. The goal was to promote a culture of savings when Japan's tradition was "don't carry money overnight." The money on deposit helped pay the cost of building a national army as the feudal samurai class was phased out.

Later, the government used the postal savings system and a postal life-insurance program, established in 1916, to raise money for the country's war efforts. After World War II, the funds were directed toward rebuilding Japan.

Though the system was set up to end feudalism, in the 20th century it has helped a type of feudalism survive. Like ancient lords, special postmasters pass their jobs on to their children. The local community becomes in effect a fief, granted to the family in perpetuity to live off of and to serve.

Today, special postmasters head 18,654 of Japan's 24,587 local post offices. Their salaries averaged about $90,000 last year, but they vary according to age and commissions.

Such pay scales are coming under fire these days. But special postmasters say they don't make much, considering all the hours they put in. They also sit on community boards, organize weekend festivals and field calls at home.

In Many European Nations, Rural Residents Bank at Post Offices

Barry James
International Herald Tribune

PARIS — Most of the world's post offices operate financial services to some extent, but usually this is limited to sending or receiving money orders — a service coordinated internationally through the 189-nation Universal Postal Union in Bern.

But about 30 post offices, most of them in Europe, operate virtually as full-service banks, with investment services and checking accounts. The U.S. Post Office, however, provides no financial services, other than offering money orders.

The postal banks are popular for three reasons. Usually their services are slightly cheaper than those of commercial banks. Customers do not need to open an account to use the services, and post offices are usually more numerous and convenient than banks.

A spokesman for La Poste in France said the only thing that the postal service cannot offer is consumer loans, but it offers a full range of financial services from checking accounts to life insurance policies at its 17,000 offices — one for every two communes in the country. In 6,000 towns and villages, the post office is the only place offering financial services, the spokesman said.

One of the most widely used services offered by European post offices are so-called giro accounts, which enable direct transfer of funds and conventional transfers by checks. The postal banks also issue, cash or deposit pension checks.

In Central and Eastern Europe, where commercial banks are not well represented outside the main cities, postal banks provide an unparalleled and easily accessible network that is well suited to customers who depend largely on cash rather than checking accounts.

An increasing number of post offices are introducing banking services, because, according to specialists, there is a cost advantage in combining postal and banking operations under one roof. As government-owned entities, the post offices provide confidence and a reassuring image for ordinary people, according to Thomas Leavey, director general of the International Bureau of the Universal Postal Union.

SPY: *Was Iran the Target?*

Continued from Page 1

istration," the official said, but added, "It is not settled yet."

In U.S.-German relations, matters involving Iran have been particularly sensitive because Bonn has been expanding its contacts and relationships with Tehran, while Washington has been trying to isolate and disrupt the Islamic government there. The clash in approach was illustrated when CIA officials were sharply critical of the head of German intelligence when he met with his counterpart from Iran, according to a White House official.

CIA officials in Washington said they did not understand why the CIA officer who was told to leave was selected, because his activities were not clandestine but carried out openly, sources said. The American sources suggested that domestic politics in Germany were involved in the apparent disclosure to Der Spiegel, which carried hints of U.S. economic spying on Germany.

At one point, the CIA's largest station overseas was Germany, with installations in Frankfurt, Munich, Hamburg, Berlin and Bonn, according to former CIA officials. In those days, U.S. intelligence operations against the Soviet Union and Eastern Europe were undertaken with and without Bonn's approval. With the end of the Cold War, the CIA has reduced its presence in Germany, but not as much as Bonn would like.

Although U.S. and German intelligence agencies continue to carry out some intelligence activities together, the United States has its own unilateral interests and targets that it wants to pursue, sources said. Negotiations to come to some new understandings between the CIA and Germany's intelligence services have been under way for some time.

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LEGAL NOTICE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MERRILL, LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
Plaintiff,
– against –
BANCO INTERNATIONAL S.A.; SWISS UNION SERVICES LTD.; ABEL COSTA; GRACE AVIGDOR; D. SALIMON; WHOLESALERS' INTERNATIONAL; ASAKO YOKOMURA, a/k/a ASAKO ALUBOWICZ; VORTEX INTERNATIONAL TRUST, INC.; JEFFREY YOKOMURA; HENRY ALUBOWICZ; ROMEO MILES; MB TRUST; SOLER PROMOTION S.A.; ANTOINE SOLER; MICHEL HAMMELIN; SARL T.T.B.M.; SYLVAIN GALLEA; MICKAEL LUCAS; SARL D.A. TUFFERY; REMI TUFFERY; PIERRETTE TUFFERY; BERNARD WIRTH; JACQUES DERRIER; LOUIS DELAUNEY; SA JCM INDUSTRIE; JEAN-CLAUDE MOREL; SERGE SAVIDAN; CLAUDE DUDEFAND; SARL AGRILIX; MICHEL DESCAMPS; SCI BELLE ALLEE; M. BACQUET; RENE LABORDE; ELIETTE VIOLLE; ALAIN VIOLLE; LILIANE SPENNATO; DANIEL JENNE; KIEL ENCONTRE, a/k/a Kiel; JEAN-PAUL KEIL; ODDO ET CIE; PHOENIX KAPITALDIENST; ECOMARCHE SA JEPLAR; MANUEL DE CARVALHO; JEAN-CLAUDE VEDRINE; MARIE-FRANCOISE ANTOINETTE MOURICETTE BON; BERNARD BROUSTINE; CHERIF HADJEB; SERGE EMERY; MAURICE-CLAUDE RIBES; *JEAN-CLAUDE MARIE TEISSEIRE; PATRICK BOUE; CHRISTIAN HERVE* RICARD; EUROPEAN TRADERS INVESTMENT GUARANTY; REGIS LEROY; EURL POGA; ANDRE DERRIER, d/b/a ANDRE DERRIER CONSULTANT; PRO VANTAGE ONE INTERNATIONAL; TOM KISER; ANNE RICARD; KARINE POITRAT; MS. GIELY (first name unknown); JOCELYNE JOUFFROY; GUY TAVET; ALAIN BASSE; SERGE DUMONT; and JOHN DOES 1-3,
Defendants.
No. 96 Civ. 9589(RWS)
ORDER PURSUANT TO 28 U.S.C. § 1655 DIRECTING ALL DEFENDANTS TO APPEAR OR PLEAD

Upon the annexed affidavit of Michael C. Silberberg (the "Silberberg Affidavit"), and it appearing that none of the defendants in this action can be served within the State of New York and that plaintiff Merrill, Lynch, Pierce, Fenner & Smith Incorporated, despite due diligence, is unable to ascertain the addresses of those defendants listed in Exhibit B to the Silberberg Affidavit, and for good cause shown, it is hereby
ORDERED that each defendant listed in Exhibit A to the Silberberg Affidavit shall be served with this order and the complaint in this action in accordance with the requirements of Rule 4(e) or (f) of the Federal Rules of Civil Procedure, as applicable; and it is further
ORDERED that, pursuant to 28 U.S.C. § 1655, each defendant listed in Exhibit A to the Silberberg Affidavit shall appear or plead in this action no later than sixty (60) days after this order has been served upon such defendant; and it is further
ORDERED that the defendants listed in Exhibit B to the Silberberg Affidavit shall be served by publication of this order, excluding Exhibit A to the Silberberg Affidavit, in the European version of *the International Herald Tribune,* not less than once a week for a period of six consecutive weeks (the "Publication Period"); and it is further
ORDERED that the defendants listed in Exhibit B to the Silberberg Affidavit shall appear or plead in this action no *later than sixty (60) days after the expiration of the Publication Period.*

Dated: 1-15-97
(signature of Hon. Robert W. Sweet)
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MERRILL, LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
Plaintiff,
– against –
BANCO INTERNATIONAL S.A. et al.
Defendants.
No. 96 Civ. 9589(RWS)
AFFIDAVIT IN SUPPORT OF EX PARTE MOTION FOR ORDER DIRECTING ALL DEFENDANTS TO APPEAR OR PLEAD

MICHAEL C. SILBERBERG, being duly sworn, deposes and says:
1. I am an attorney duly admitted to practice before this Court, representing plaintiff Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") in the above-captioned action. I make this affidavit in support of Merrill Lynch's ex-parte motion for an order, pursuant to 28 U.S.C. § 1655, directing the defendants to appear or plead in this action no later than sixty (60) days after service of the order upon them, and to authorize service by publication on six European defendants, including four French nationals, whose addresses, despite due diligence, cannot be ascertained.
2. As more particularly described in the Complaint for Interpleador and Declaratory Relief ("Complaint"), Merrill Lynch is in possession of three interest-bearing accounts in this district, containing an aggregate of approximately *$2,277,143.13. The activities in the three accounts, including discrepancies between the identities of persons and entities who* had deposited funds and those to whom the account holders directed Merrill Lynch to transfer the funds, along with other documents which came to Merrill Lynch's attention, caused concerns by Merrill Lynch of possible fraud and/or money laundering in connection with the accounts. Merrill Lynch has accordingly brought this interpleader action under 28 U.S.C. §§ 1335 and 1655, to resolve the conflicting claims and remove the cloud upon the title of the funds in the accounts.
3. As alleged in the Complaint, all of the defendants have transacted business in the state of New York, either personally or through an agent, such that personal jurisdiction over them is appropriate. See Complaint, ¶ 3. However, none of the defendants can be served within the State of New York. Accordingly, Merrill Lynch requests an order, pursuant to 28 U.S.C. § 1655, directing the defendants to appear or plead no later than sixty days after service of the order is effected (the "warning order"). Such an order may be served on the defendants wherever found.
4. Merrill Lynch has located all of the domestic defendants and most of the foreign defendants; those defendants whom Merrill Lynch has located are listed in Exhibit A hereto. Merrill Lynch intends to serve the domestic defendants with the warning order, accompanied by a summons and a copy of the Complaint, in accordance with Fed. R.Civ.P.4 (e) and (h). Merrill Lynch intends to serve the foreign defendants whom it has located in accordance with applicable international treaties or local law, as required by Fed.R.Civ.P.4(f).
5. Upon information and belief, each of the defendants listed in Exhibit B hereto resides in Europe; most reside in France. See Exhibit B. Merrill Lynch has attempted to locate the addresses of these defendants through reasonable and diligent investigation. I am informed that this investigation included the efforts of Merrill Lynch's French counsel, who exhaustively searched European national and local directories of corporations and individuals. I am further informed that this investigation included the efforts of Merrill Lynch's in-house attorneys, who exhaustively searched European corporate directories. After this diligent investigation, Merrill Lynch has been unable to locate the defendants listed in Exhibit B.
6. Because personal service on the defendants listed in Exhibit B is impracticable, Merrill Lynch respectfully requests permission, pursuant to 28 U.S.C. § 1655, to serve these defendants by publishing the warning order once a week for six consecutive weeks (the "Publication Period"), in the *New York Law Journal* and the European version of the *International Herald Tribune.*
7. With respect to the defendants listed in Exhibit B, Merrill Lynch requests that the warning order direct them to plead or appear no later than sixty (60) days after the expiration of the Publication Period.
8. No previous request for this or similar relief has been made.
(signature of Michael C. Silberberg, Esq.)
Michael C. Silberberg

Sworn to before me this 23rd day of December, 1996
(signature of notary public)
Notary Public
(stamp of notary public)

Exhibit B to Affidavit of Michael C. Silberberg
1. John Doe 1, John Doe 2 and John Doe 3; Principal Residences in France.
2. Michel Hammelin; Principal Residence in France.
3. Phoenix Kapitaldienst; Principal Place of Business in Europe.
4. Ecomarche SA Jeplar; Principal Place of Business in Europe.
5. Jean-Claude Vedrine; Principal Residence in France.
6. Cherif Hadjeb; Principal Residence in France.
7. Serge Dumont; Principal Residence in France.

Defendants wishing to obtain a copy of the Complaint in this action should contact one of the following: (1) Maitre Jean-Marie Bergouberou, Gide Loyrette Nouel, 26 Cours Albert 1er, 75008 Paris, France; (2) Michael C. Silberberg, Esq., Morvillo, Abramowitz, Grand, Iason & Silberberg, P.C., 565 Fifth Avenue, New York, New York 10017; or (3) The United States District Court for the Southern District of New York, Office of the Clerk of the Court, 500 Pearl Street, New York, New York 10007-1312.

This notice was first published March 5, 1997.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Swiss Airing

Uncomfortable as they are with the pressure and publicity, the Swiss are working their way through grave moral dilemmas that they avoided during and long after World War II. The question is at whose cost and at what cost did Switzerland purchase, from Nazi Germany, its successful and profitable wartime neutrality. The most painful part of the answer is: at the considerable cost of imprisoned and eventually annihilated Jews. The electorate as a whole has yet to register its full reaction. However, the country's political and banking leadership is, with some backsliding, moving ahead.

Private banks and the national bank have created a $140 million fund for aging Holocaust victims or heirs whose deposits in Swiss banks had disappeared. An international panel led by Paul Volcker is searching for assets deposited by Holocaust survivors.

A commission of Swiss and foreign historians is examining central bank purchases of Nazi gold, plus the fate of 30,000 Jewish refugees turned back at the Swiss border. The other day a "Swiss Foundation for Solidarity" was set up to make hundreds of millions of dollars available every year for victims "of poverty and catastrophes, of genocide and other severe breaches of human rights, such as of course victims of the Holocaust," as Swiss President Arnold Koller described this immensely promising project.

It is late but not too late for the Swiss to be asking, in the words of Mr. Koller, "whether and to what extent all Swiss citizens managed to satisfy the high moral demands during the war period." Wartime choices — choices made under great pressure — cannot be remade, but they can be reviewed squarely. The purpose is not simply to respond to critics, although there is merit in an honest response to critics. The purpose is to allow the Swiss people a thorough knowledge of what they did.

Not everyone in Switzerland agrees. A nationalist — and what Americans would call an isolationist — right objects to any suggestion that Switzerland played an ambiguous or dubious role toward Nazi Germany and depicts international interest now as a Jewish conspiracy. Such objections may yet push the country into a referendum — a familiar Swiss device — that conceivably could blunt the government's efforts to come retrospectively to terms with the Holocaust. It would a great setback for the belated and altogether worthy if difficult effort of the Swiss to come to terms with their own history.

— THE WASHINGTON POST.

A Chinese Puzzle

So now we know that people inside the White House knew about the possibility of Chinese government political contributions for congressional races in June 1996. President Bill Clinton was told last month, which means that he has had several weeks to ponder the possibility that some of his aides knew months ago that China might be trying to funnel tainted contributions into American political campaigns.

It would not have taken much of a leap to wonder if China was doing so through such personal friends of Mr. Clinton as John Huang, Johnny Chung and Charles Yah Lin Trie. These revelations from the White House press secretary make Mr. Clinton's no-problems attitude last Friday seem all the more detached from reality.

But these latest disclosures send ripples far beyond the central question of Mr. Clinton's disinterest in where and how he got the money to finance his re-election. What emerges is yet another picture of managerial chaos among the FBI, the National Security Council and the president and his close advisers.

Mr. Clinton expressed irritation on Monday that the FBI had told NSC staffers to withhold sensitive information from their superiors, a charge that the FBI later denied in an extraordinary challenge to White House credibility. Whichever side is telling the truth, it is a serious lapse when reports that a foreign power might be trying to interfere with the American electoral process failed to reach the president.

In any event, the strains, miscommunication and immediate blame-throwing that broke out between Mr. Clinton and the FBI mean that only an independent counsel can conduct the investigation. Attorney General Janet Reno and her subordinates in the FBI, including the director, Louis Freeh, clearly cannot direct an inquiry that now includes the issue of whether the bureau misserved the president or the NSC dropped the ball.

There are, of course, reasons why the FBI agents in mid-1996 might have wanted to withhold information about the Chinese connection from Mr. Clinton. They would have taken such a precaution if the FBI felt that it had to shield intelligence sources from political operatives in the White House, or if agents were already investigating the Clinton campaign and its efforts to open a pipeline of Asian political money.

Senator Dianne Feinstein of California says she is asking Mr. Freeh for a full explanation of circumstances behind the puzzling 10-minute briefing she got from FBI agents last June. Mr. Clinton says he has asked his lawyer and his national security adviser, Samuel Berger, to find out from Mr. Freeh why he was kept in the dark. That seems logical, but clearly someone is needed to referee the compelling questions of national interest and campaign law.

Mr. Berger, for example, was an active participant in some White House political discussions. If he learned of the potential Chinese contributors earlier than the stated date, that would have serious implications. Similarly, the Senate cannot vote on the confirmation of the former national security adviser, Anthony Lake, as director of central intelligence without assurances that he, too, was out of the loop on the warnings about Chinese involvement.

Disclosures about a Chinese plan to influence the election, first reported by The Washington Post, have taken the fund-raising scandal to a new level of seriousness and clarity. Last Friday Mr. Clinton suggested that only those people who questioned all political contributions were curious about the financing of the 1996 campaign. Now it is clear that any citizen with a reasonable interest in the efficiency of the federal investigative agencies and the integrity of the electoral process will want a full account of what went on.

Even Ms. Reno's flyspeck reading of the independent counsel law must see that under its conflict-of-interest provision an outside authority is needed to sort this mix of funny money, mismanagement, secrecy and possible malfeasance.

— THE NEW YORK TIMES.

Other Comment

A Europe of Old Roots

Too much has happened to Europeans during the last 500 years to make it possible, even if it were desirable, to restore a Carolingian cultural and political unity on the model of Western Christendom. Few people today need reminding that societies are held together not by abstract rational principles or convenient administrative arrangements but by deeply held habits of consensus and belief.

There is an irrational dimension to all human relationships. Past regimes all recognized and exploited this truth, but in exploiting it they also tamed it and made it socially productive. Attempts to ignore it, and lay out society on new, just and rational principles, have produced only wilder and more terrible outbursts of irrationalism.

So we Europeans must understand our past if we are not to repeat it; understand why we have been a land of war if we are successfully to remain a land at peace. That is why I am always uneasy when I hear our American friends talk about "a new European architecture." Peoples are not building blocks; neither are we building on an open-field site. If there has to be an analogy, let it be that of a garden.

The peoples of Europe and their institutions should be regarded as distinct and living organisms, rooted in the particular soil of their regions. Weeds must be watched for and eradicated. And as with all gardens, the work of cultivation is never-ending.

— From "Land of War, Land of Peace" by the British historian Michael Howard, in the winter issue of the Wilson Quarterly.

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U.S. Policy Toward China Is on the Right Track

By Laura D'Andrea Tyson

The writer, a professor of economics at the University of California at Berkeley, was chairman of the White House Council of Economic Advisers and of the National Economic Council in the first Clinton administration.

NEW YORK — The media have been full of innuendo that the Clinton administration's policies toward China have been influenced by Asian business contributions to the president's 1996 campaign. As one of the architects of those policies, I know firsthand that there is no basis for such allegations.

Our approach to China has been crafted by economic, national security and foreign policy experts from many federal agencies who have debated options, sometimes heatedly, but always on their merits and always with the goal of serving American interests.

Reasonable people can disagree about the effectiveness of the administration's approach, but they should understand its overriding motivation and its underlying logic.

This approach starts with the simple notion that America is best served over the long run by China's stable evolution toward a more open, more democratic, more market-oriented system based on the rule of law.

The logic of our policy also depends, however, on a realistic assessment of the means at our disposal. Critics too frequently overlook this distinction between means and ends.

Consider the administration's often criticized support for renewal of China's most-favored-nation trading status in each of the last four years.

Some critics allege that the White House has sacrificed human rights goals for crass commercial ones. Others have gone even further and argued that the administration's trade decisions have been bought by the lobbying efforts of American multinationals or of Asian business interests.

Both accusations are wrong.

Improving human rights conditions is an essential part of our long-term goal. But the administration's policymakers, supported by China experts at home and abroad, believe that withholding most-favored-nation status for China would not promote, and would even impede, achieving this objective.

Nothing in China's history or in the history of economic sanctions suggests that revoking the country's most-favored-nation trade status — which would amount to imposing unilateral economic sanctions on Chinese goods — would impel Beijing to ease its human rights stance. Nor have China's other trading partners been willing to join the United States in multilateral sanctions against the Chinese.

Certainly America could hurt China's economy by withholding its most-favored-nation status, but to do so would undermine our long-run goal for at least two reasons.

First, it would cause a dramatic deterioration in our overall diplomatic relations with China and in our ability to negotiate on other important aspects of our relationship, such as nuclear nonproliferation.

Second, the bulk of American imports from China come not from its state-owned enterprises but from its private or quasi-private sectors, on whose health depends a developing Chinese middle class and China's continued evolution toward a more democratic system.

This is why many China experts believe that the best way to encourage reform and democratization is to strengthen China's trade and investment ties with the rest of the world, even though this approach may yield few if any short-run improvements in human rights.

Critics often point to the apparent anomaly between the administration's willingness to threaten economic sanctions to encourage China's adherence to trade agreements and its unwillingness to withhold favorable trading status over human rights violations. But a dispassionate assessment of means explains away this anomaly.

The threat of specific trade sanctions has proved effective in getting China and many of our other trading partners to stop violating trade agreements. Such sanctions can be fashioned to be commensurate with the economic costs that such violations have imposed on American businesses.

Consider the dispute over the protection of intellectual property. Precisely crafted sanctions encouraged the Chinese to respect the rule of law established in last year's bilateral agreement on intellectual property and in multilateral standards of copyright protection, without jeopardizing our ability to negotiate with China on other issues at the same time.

By contrast, revoking most-favored-nation status would be a blunt instrument that would bring disproportionate harm to China's private ventures.

The most recent criticism of President Bill Clinton's policy relates to the ongoing negotiations over China's admission to the World Trade Organization. The latest round of these negotiations concluded in Geneva last week amid promising signs from the Chinese that they are willing to meet the major conditions that the administration laid out in a blueprint several months ago.

This blueprint reflects a firm administration resolve, shared by China's other trading partners, that it not be admitted unless it meets sound commercial conditions comparable to those met by other member countries.

These conditions include commitments on improved access to China's market, greater openness in its trade and investment rules, including information on the extent of subsidies to China's state enterprises, and an end to requirements that foreign investors export the products they make in China.

As a member of the WTO, China would have the same responsibilities to honor the rules of international trade as its trading partners. This would curtail the power of its state decision-makers who resist opening markets, and it would strengthen the hand of economic reformers.

At the same time, we would have a powerful multilateral forum in which to resolve trade disputes with China, thereby reducing the pressure for high-stakes, bilateral trade confrontations that threaten to destabilize the entire United States-China relationship.

In short, China's admission to the World Trade Organization — on commercially acceptable conditions — is probably our single most effective means of shaping a more open, market-oriented China.

Unfortunately, the recent accusations of an unholy connection between the Clinton administration's China policy and Asian campaign contributions threaten to obscure this reality. Some members of Congress are now proposing further, unspecified conditions on China's admission to the WTO, as well as requirements that Congress be given the right to "review" China's application before the administration can approve it.

Both of these proposals are misguided. They could delay or even scuttle China's application to the WTO, contaminate other aspects of our relations with China and call into question America's broader commitment to the trade organization.

The administration's approach to China is based on a clear understanding of our national interests and of the tools at our disposal. Our progress with China has been disappointingly slow in the short run, but we are on the right track for the long run. Irresponsible speculation about the role of campaign donations cannot be allowed to undermine responsible policy.

The New York Times.

Let's Get Tough on International Corruption

By Maria Livanos Cattaui

PARIS — Public resentment of international corruption has never been stronger. Governments and business should work together to halt its progress and at least make bribery a marginal and hazardous practice, even if they cannot stamp it out altogether.

Corruption is wasteful and both obstructs and distorts trade. In country after country it has destabilized governments and discredited political establishments. It deprives the deserving of their rightful reward and nourishes political extremism.

There is real momentum behind the drive against bribery in international trade and it must be maintained. Business is determined to play its part.

We need laws that allow enterprises to be reasonably confident that incorruptibility will not hamstring them when they compete in the international marketplace. The consequences of being a lone knight in shining armor can be failure to win foreign contracts, the shutting down of production lines and massive job losses.

For business, therefore, the international coherence of legislation as well as vigorous enforcement are keys to success in suppressing corruption. Regrettably, despite recent international initiatives, business is still confronted with a maze of differing national regimes ranging from the official blind eye, and even connivance at the highest level, to strict enforcement of tough anti-corruption laws.

Particularly in this digital age of instant communication, we reject the argument that what would be morally unthinkable in one county must be accepted as part of the way of doing things in another. We are troubled by the tilted playing field on which international business now has to operate.

Yet much that is positive has happened in the past couple of years. On the government side, leading industrial countries belonging to the OECD agreed in 1994 that they should suppress bribery in international business transactions. Last year they called for a ban on what amounts to officially sanctioned corruption — the tax deductibility of bribes.

The International Monetary Fund and the World Bank are committed to the anti-corruption drive. They have the muscle that comes from funds that can be withheld.

How to keep free of corruption and remain competitive is high on the agenda in corporate boardrooms. The International Chamber of Commerce introduced the first business code to combat extortion and bribery in international transactions in 1977. It is now urging its thousands of members all over the world to apply an updated and strengthened set of rules.

The idea is that the ICC's rules — which have been expressly endorsed by our Council representing business in 130 countries — should be written into internal corporate codes of practice that employees are required to observe.

For business and governments alike the important thing is the will to enforce. We call upon governments to follow through on the recommendations laid down by the OECD. Specifically, that means criminalizing the bribery of foreign public officials and eliminating tax deductibility for all bribes, foreign and domestic. Tax deductibility is little more than a government subsidy of improper activities. It must be stopped.

The tide is starting to turn in the fight against corruption, but decisive steps are needed. If business and government act in concert, we can win this battle.

The writer is secretary-general of the International Chamber of Commerce. She contributed this comment to the International Herald Tribune.

Rethinking Humanitarian Aid in the New Era

By J. Brian Atwood and Leonard Rogers

Mr. Atwood is administrator of the U.S. Agency for International Development. Mr. Rogers is the acting administrator of its Bureau for Humanitarian Response. This is the first of two articles.

WASHINGTON — Food from the United States will soon reach hungry children and farm families in North Korea. In eastern Zaire, our food will be available to feed the hungry children of refugees from Rwanda and Burundi. But underlying political and economic forces that have brought these people to the edge of starvation have not been addressed.

The debate over the critical yet changing role of humanitarian aid intensifies.

The foreign policy interests of the United States, the traditional humanitarianism of the American people — must the two be separate? Should they be?

Recent events are forcing a review of how we manage humanitarian aid overseas. The future course seems clear: Humanitarian aid must be linked more closely to our foreign policy. If we can come to view our humanitarian interests and our diplomacy as complements, then we strengthen the chances that we will achieve the objectives of both.

"A hungry child knows no politics." That slogan has rallied U.S. support for humanitarian aid since the early 1980s, when it was coined to help explain a change in policy by the Reagan administration.

Then the debate turned on whether the United States should supply food aid to a Marxist Ethiopia in the grip of drought and resulting famine. The president made the right decision, and many innocent lives were saved by American food.

Since then the United States has provided aid to the people of other countries whose governments we considered objectionable — Sudan and Iraq are prominent examples.

But the world has changed. Now we are the only superpower, the largest economy and the only nation with truly global reach. As a result, we have new opportunities to advance our interests well into the next century. Those interests should include traditional American humanitarianism.

But taking advantage of the times will not be simple. We are in a period of political and ethnic conflict with a number of nation-states disintegrating.

Why this is happening is not clear. Bosnia, Afghanistan, Sudan, Rwanda, North Korea and Liberia don't have much in common.

Some feel that there is growing ethnic and political conflict as a result of competition for scarce resources.

Some feel that the dead hand of colonialism still touches many countries as they struggle within artificial borders and as contrived governmental structures collapse.

Some feel that the breakup of the Soviet Union inspired nationalist passions around the world. Some see the emergence of a new era of conflict arising from Islamic fundamentalism.

Whatever the answer — and there is merit in all of the above

Aid helped those who committed genocide to control these people for two years.

— it is significant that superpower competition no longer modulates events in smaller countries. So conflict becomes crisis, and the world must deal with intractable complex emergencies as best it can.

The human costs in terms of lives lost and innocent suffering have been extremely high. So have the financial costs — as much as $6.5 billion per year by some estimates.

As the number of complex emergencies has risen, sharp differences have begun to emerge among the government agencies, international organizations and private voluntary groups which manage aid.

The crises currently dividing the international humanitarian community are in North Korea and eastern Zaire. There are desperately needy people in both places, there are complex political issues in both, and the mix presents difficult choices for American policymakers.

In North Korea, Andrew Natsios, who ably headed U.S. disaster relief operations in the Bush administration, and Representative Tony Hall, who in many ways is the conscience of U.S. humanitarian assistance, have both called for immediate food aid. They believe that we should be guided by the experience of Ethiopia and proceed without regard to other U.S. national interests.

But North Korea is no Ethiopia. There are good reasons to proceed with caution — the formidable military capacity of the North Koreans; the need to assure ourselves that food is not diverted to support that military force; and the need to assure ourselves that we can monitor the distribution of our food to assure that it reaches the intended beneficiaries.

Most important, the crisis in North Korea is not the result of some natural disaster such as floods or drought, nor even of ethnic or political conflict. The World Food Program estimates that only 15 percent of the current shortfall of 2 million tons of food results from floods.

The remainder results from long-term economic problems. North Korea faces perennial hunger until there is systemic change in its economy.

After careful consideration and consultation, the United States has decided to join with others and provide North Korea with $10 million of food aid. But we are under no illusions that this modest contribution will solve North Korea's food security problems. The humanitarian needs of the North Korean people will be met only if their government takes significant steps toward reform.

America, Japan and most of all South Korea stand ready to help in this extremely difficult environment; resources are not the problem. U.S diplomacy will be more important to a successful outcome than our humanitarian or development aid.

In eastern Zaire, Emma Bonino, the ardent European Union commissioner responsible for emergency aid, has pushed for the United States to provide immediate and massive assistance to hundreds of thousands of refugees from Rwanda and Burundi. There are no doubt many hungry people in the forests of eastern Zaire.

There is also real need to consider the safety of humanitarian aid workers.

Most important, however, we must heed the lesson from an earlier phase of this disaster. We must not let our humanitarian aid be manipulated as it was in the refugee camps along the Rwandan border.

It now seems clear that in those camps more than a million people were controlled against their will by the perpetrators of genocide in Rwanda. When they got the chance, most of the refugees voted with their feet and returned home.

Shocking but true, the provision of humanitarian assistance by the United States, the European Union and others helped those who committed genocide to control these people for more than two years. That never happened in Ethiopia.

We will provide assistance to the needy women and children currently in eastern Zaire, but only if we can ensure that our food reaches those in need.

At the same time we recognize that the humanitarian interests of all the people of the Great Lakes region are best served by political stability and ethnic reconciliation. Aid can help, but diplomacy and political negotiation are essential.

Are North Korea and eastern Zaire isolated cases? No, in today's changing world there are many ethically difficult humanitarian crises.

For example, in Afghanistan the United States is asked to provide assistance in areas controlled by Islamic fundamentalists who insist upon the subjugation of women.

In Liberia, starving people ask the international community not to deliver relief food because they are being held by factional fighters as bait to attract just such assistance.

New approaches to humanitarian aid are needed.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Corrupt Police

NEW YORK — City Magistrate Herman Kudlich has contributed an open letter to Mr. Theodore W. Roosevelt, President of the Police Board. The magistrate had made a complaint to the Board of the misconduct of a member of the force. The complaint was returned as not justified by the facts. The Magistrate now replies that hereafter he will do his own investigating and adds that "dishonesty and corruption are rampant in the Police Department" and there are "men in the force given over to dishonest practices, such as blackmail." These men, he said, "might be disciplined by their superiors if the latter were bent on branding dishonesty as it deserves."

1922: Rebel Is Invited

NEW YORK — Just to prove that old scores have been wiped out, Emilio Aguinaldo, once Filipino dictator and insurgent general-in-chief, upon whose head rewards have been offered by Spain and the United States, has been invited by the United Spanish War Veterans' Association to be the guest of honor at the veterans' annual meeting in Los Angeles next summer. The noted rebel chief, who lives as a simple farmer near Manila, has accepted the invitation.

1947: Tel Aviv Protest

JERUSALEM — Labor elements in Tel Aviv are accusing Mayor Israel Rokach of open co-operation with the British and of affronting the dignity of the Jewish community by "begging on his knees" for small concessions from the Military Governor, Major General Gale. Labor circles supported by communal settlements were demanding that Rokach "cease flirtation with the British and show more backbone."

OPINION/LETTERS

How to Kick the Money Habit

By David S. Broder

WASHINGTON — The White House rationale for the questionable 1996 campaign fund-raising practices is more revealing than its authors seem to realize. Take their arguments at face value and you will see why incumbents of either party are not likely to allow major changes in this system.

What President Bill Clinton and his assorted spokesmen have been saying is this: We Democrats got our clocks cleaned by the Republicans in 1994 and they were gearing up to outspend us again in 1996, as in fact they did. So we cranked up the money machine in earnest. Some folks decided for reasons of their own to help us out. Some of them were shady, and we should have put a finer moral screen on their contributions.

But — and this, Clinton & Co. insists is the key point — nobody has proved yet we did anything improper in return. And, remember, please, that we weren't doing this for ourselves. We were doing it to save those millions of people whose lives would have been ruined if the Republicans were running everything in Washington.

Therefore despite the embarrassment of having to return $3 million so far to some particularly sleazy characters, despite the knocks they're getting for the hospitality they lavished on these suspect donors, despite the rule-bending involved in solicitation calls from the White House by the vice president and a $50,000 check being received at the White House by the first lady's top aide, despite all this press furor, they are proud — proud — of what they did.

Better to stand and fight than capitulate to those wicked Republicans, they say.

When I remark that this rationale is more revealing than they realize, what I mean is that this is the very sort of mind-set that has made it impossible to get real change in the campaign finance system for the last 20 years.

Both parties lambaste sleazy campaign practices, but neither makes any real move to change. The answer is a bipartisan commission.

In all that time, there has never been a moment when one party or the other — and often both — could not discover a better reason to exploit the opportunities the present system allows than to change it in any basic way.

Rarely a day goes by that President Clinton and Vice President Al Gore do not urge Congress to pass a sweeping campaign finance reform bill. But when the Democrats controlled the White House, the Senate and the House of Representatives in 1993-94, no campaign finance bill ever reached the president's desk. The many House Democrats who depend on union political-action committees for their biggest contributions did not want to accept a ban or severe limitations on PACs that senators, who are less dependent on PACs, were ready to write. Feminist Democrats and their supporters insisted that Emily's List — a wildly successful machine for bundling contributions for female Democratic candidates — be given special protection.

Republicans, for their part, have wanted union spending curbed — but not much else. George Bush vetoed a "reform" bill he rightly said was tilted to the Democrats, and the last Republican Congress never passed any legislation in this area.

The reality is that most incumbents of both parties — for all that they may whine about the burden of fund-raising — prefer the system under which they were elected to any untested scheme that might replace it.

Another reality is that it is damnably difficult to devise a system that will effectively reduce the role of money in politics and still not trample on constitutional rights to express political views. The difficulty of striking a balance — and rising above the parochial interests of incumbents — makes it sensible to consider creating a blue-ribbon bipartisan commission to frame a proposal Congress could vote up or down, but not amend. Former Senator Bob Dole offered that idea several times and it is embodied now in a bipartisan proposal originated by Representative Rick White, Republican of Washington.

It is likely the focus on sleazy campaign practices will force the passage of something called the Clean Elections Act of 1998.

But without such a commission, it may well be cosmetic legislation. You could probably get a unanimous vote in the House and Senate today for a provision that would impose a federal death penalty on any foreigner giving even a $5 contribution to an American candidate.

They would love to congratulate themselves on their virtue and be able to tell their constituents that they had slammed the door shut on those despicable aliens' tampering with the integrity of our American elections.

And then they could go back to business as usual. Republicans and Democrats alike.

The Washington Post.

'Wait a minute – we may be sending back more than we took in.'

Medicine as Commodity: A Dangerous Rx

By Richard G. Williams

WASHINGTON — I was a physician for more than 20 years. Now I am a provider. "Provider" is the term used by health maintenance organizations to refer to physicians and other health care professionals. They attempt to suppress the very word "physician," and for good reason: It has connotations of expertise, authority and respect, which are incompatible with the managed-care agenda.

MEANWHILE

Being a provider is a limited and discouraging job. There is, for example, the problem of prescribing medications. I treat many patients for hypertension, high cholesterol, heart disease and diabetes. Some of these patients are on complicated regimens of multiple drugs that have been carefully adjusted over months or years. I am now expected to discontinue many of these medicines and substitute others that happen to be on the HMO drug formularies. These formularies are selected largely on the basis of which drug of a particular class the HMO can obtain most cheaply.

This means, for example, that a patient whose high blood pressure is well controlled on a medication that is well tolerated is to be arbitrarily switched to a formulary drug. He or she will therefore be exposed to the small but real risk of an adverse reaction to the new medicine. He will be exposed to this risk for no possible benefit, in violation of the most basic principles of therapeutics. If it is tolerated, the new medication may or may not be effective. If it does work, the patient will need one or several extra office visits, wasting his time and my own, to adjust the dose and re-establish blood pressure control. He will then be back where he started.

However, HMOs negotiate with pharmaceutical companies continuously; if his health plan obtains a better deal on yet another drug next year, the whole process will need to be repeated — all for no purpose other than to minimize the expenses of the insurance company.

The provider faces many other frustrations. There is relentless pressure to discharge patients from the hospital whether or not they are ready. It is sometimes difficult or impossible to refer patients to the appropriate specialist. A good deal of time is wasted debating medical care with representatives of managed-care companies. These individuals generally have no medical training, and their primary concern is not the patient but the financial well-being of their company.

I have noticed something about these "managers": They all want a piece of my authority, but they want no part of my responsibility. If I cut corners in an attempt to satisfy them and the patient suffers as a result, it is the patient's problem and my own.

Good medical care is threatened not only by the above constraints but by the capitated system of reimbursement. Under this system, the physician is paid a small monthly stipend for each patient assigned to him, regardless of what, if any, services he provides to that individual.

Capitation not only fails to reward high-quality care but effectively penalizes it. Quality takes time, and the doctor who devotes time to his managed-care patients will assuredly suffer for it financially. The physician whose reputation is such that sicker patients are attracted or referred to him is in particular trouble. There is a problem with a system that makes the sick patient a personal financial threat to his own doctor.

The provider's final problem, then, is simply making a living. I have a busy and previously successful internal medicine practice. An hour of my time is now worth approximately 60 percent of its value several years ago.

It is the apparent intent of those who drive managed care that medicine be reduced to a commodity, and a cheap commodity at that, to be bought, sold and manipulated solely for the financial benefit of their industry. In the San Francisco Bay area, these goals have already largely been achieved. I believe this portends very serious problems ahead, not only for the profession but for the future of patient care and the well-being of the population at large.

The writer, who practices internal medicine in the San Francisco Bay area, contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Expatriate Schooling

Regarding "Harsh Math of Overseas Transfers: Employers Subtract School Aid" (Money Report, Dec. 14):

It has been documented that the number one reason for failed foreign postings is poor family adjustment. To assume that most young children can easily adapt to "local" foreign schools — and thus assume that international schools are a luxury — is misleading. Contrary to popular belief, all children are not flexible. As a veteran expatriate (Norway, Japan, France and Belgium) and a therapist who has counseled many other expats, I am all too aware of children who have daily stomachaches and tears for three months or more while adjusting to local schools.

One of the determining factors of a positive adjustment to expatriate life is the type of welcome the family receives. The international school community can provide a warm welcome and also can serve as the community around which the family's social life revolves. This expat social life is not another luxury but a necessary support system that most families need.

Not all international schools offer a positive experience, and not all local schools will produce stomachaches. But corporate human resource managers and expatriate parents should be aware of all facets of the issue. Parents should be able to choose which school environment is best for their children.

Finally, saying that there is a belief among human resource managers that expats are happier and more productive if integrated fully into the host-country culture may apply in some cases, but for the typical expat family this can present overwhelming stress.

PAULA KUGELMAN.
Randolph, New Jersey.

China's Population

Regarding "Albright, in China, Upholds Rights" (Feb. 25):

The article says that Deng Xiaoping, at the pinnacle of power, ruled over a quarter of the world's humanity.

This is not accurate. China's population today makes up roughly one-fifth of the world's population.

OTTO H. NOWOTNY.
Basel, Switzerland.

BOOKS

THE KISS: A Memoir

By Kathryn Harrison. 207 pages. $20. Random House.

Reviewed by Jonathan Yardley

IT IS a measure of the times that this book — slimy, repellent, meretricious, cynical — is enjoying the rapt attention of the gods of publicity. The chattering classes of Manhattan and the Hamptons have homed in on it with the unerring instinct of swine slopping in swill. It is the Flavor of the Month, so those of us in the boondocks are expected to belly up and smile.

No way. "The Kiss" is trash from first word to last, self-promotion masquerading as literature. It is the "memoir" of Kathryn Harrison, who claims to have had a sexual relationship with her father and who has made that the central element of this book.

You may wonder, since Harrison has already published three novels of transparently autobiographical import, why she chose this time around to tell her story as nonfiction. The answer, given in a Q&A supplied to reviewers by her publisher, is revealing: "There was an internal imperative to deal with the subject now, and that need was confirmed by my husband Colin's and my desire that it be published as soon as possible — before our children were any older and more aware of the media around them."

From this one must deduce that Harrison fancies books to be mere e-mail, gossamer things that, once read, vanish into cyberspace, never to be heard from again. Just get this out now, cash in on it today, and the poor innocent children will never know anything of it. So we apparently are to believe.

That this is self-serving hogwash needs no elaboration. The publication of "The Kiss" has nothing to do with shielding the young and everything to do with exploiting the current infatuation with confessional memoirs. The juicier the confession the hotter the sales, so the orthodoxy of the hour has it, and Kathryn Harrison means to out-juice everyone.

Harrison and her apologists want us to believe that from dark personal experience she has produced a work of art notable for its "bravery," a book that is "ironic and compassionate," "thoughtful, disciplined," "uncanny, heartbreaking." Those are some of the words used by Tobias Wolfe, Mary Karr, Robert Coles and Mary Gordon, all of whom have supplied smarmy blurbs for this book and all of whom as a consequence should be sentenced to perdition eternal. If "The Kiss" were indeed art, perhaps we could find a way to forgive its offenses against familial privacy and ordinary decency, but there is not an artful word in it. Instead it is chockablock with romance-novel clichés and mannered, heavy-breathing minimalism.

The story, such as it is, begins with the divorce of Harrison's parents when she was a baby, continues through a childhood spent largely in the custody of her maternal grandparents along with irregular connections with her indifferent mother, then climaxes — sorry, no other word will do — with the reappearance of her father and his seduction of the not-unwilling her. Its essential elements are not graphic sex — in that department Harrison is coy rather than revealing — but a revolting mixture of self-pity and narcissism.

Poor little her. "I grow afraid of the dark." "I wake screaming." "I am, as I have been from my birth, the inevitable compromise of my parents' privacy." "My days are as long as despair can make them." "Her mother's, eyes, when they turn at last toward me, are like two empty mirrors. I can't find myself in them."

It's not for lack of looking. She may be a well of self-pity, but Harrison is a world champ when it comes to self-adoration. As Daddy begins his come-on, "His hot eyes consume me." Those words were written, mind you, not by Danielle Steel or Judith Krantz but by the reigning darling of the New York literati. So were these: "Whatever I do . . . enthralls my father. "He looks at me with his hungry eyes." "'How can a daughter of mine be this beautiful?' he murmurs." And — here comes the line that retired the World Narcissism Cup — "in me he found a creature more worthy of worship than the Creator."

As for Harrison, her own hungry eyes seem focused on the bestseller lists. This confession isn't from the heart, it's from the pocketbook. She talks to her publicist about "the implicit dishonesty of keeping a secret such as this," but that is 100 percent humbug. The real act of dishonesty is this shameful book, which exploits the private life of the author's family — if, by the way, anything herein actually happened as she claims it did — for personal gain and talk show notoriety.

The temptation to go on and on about this book, piling one abusive paragraph upon another, is extreme, but must be resisted. Space is short. Let's save it for something worth my words and your time.

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	SOLE SURVIVOR, by Dean Koontz	1	3
2	HORNET'S NEST, by Patricia Cornwell	2	6
3	TOTAL CONTROL, by David Baldacci	3	6
4	SMALL TOWN GIRL, by LaVyrle Spencer	5	4
5	THE NOTEBOOK, by Nicholas Sparks	6	20
6	AIRFRAME, by Michael Crichton	4	12
7	EVENING CLASS, by Maeve Binchy	13	2
8	SILENT WITNESS, by Richard North Patterson	7	7
9	THE DEEP END OF THE OCEAN, by Jacquelyn Mitchard	10	24
10	THE LIST, by Steve Martini		1
11	THE CAT WHO TAILED A THIEF, by Lilian Jackson Braun	9	4
12	VENDETTA: Lucky's Revenge, by Jackie Collins	8	4
13	THE CELESTINE PROPHECY, by James Redfield	11	152
14	DRUMS OF AUTUMN, by Diana Gabaldon	14	8
15	THE CLINIC, by Jonathan Kellerman	12	8

NONFICTION

1	PERSONAL HISTORY, by Katharine Graham	1	4
2	ANGELA'S ASHES, by Frank McCourt	2	25
3	MURDER IN BRENTWOOD, by Mark Fuhrman		1
4	THE GIFT OF PEACE, by Joseph Cardinal Bernardin	3	5
5	CONVERSATIONS WITH GOD, by Neale Donald Walsch	6	12
6	A REPORTER'S LIFE, by Walter Cronkite	4	12
7	HIS NAME IS RON, by the family of Ron Goldman with William and Marilyn Hoffer		1
8	EVIDENCE DISMISSED, by Tom Lange and Phillip Vannatter as told to Don E. Moldea	5	4
9	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	8	7
10	MY SERGEI, by Ekaterina Gordeeva with E. M. Swift	10	17
11	WHAT FALLS AWAY, by Mia Farrow	7	2
12	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	12	138
13	JOURNEY INTO DARKNESS, by John Douglas and Mark Olshaker	11	4
14	THE SOUL'S CODE, by James Hillman		15
15	THE MORAL INTELLIGENCE OF CHILDREN, by Robert Coles		1

ADVICE, HOW-TO AND MISCELLANEOUS

1	THE ARTHRITIS CURE, by Jason Theodosakis, Brenda Adderly and Barry Fox	2	5
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	1	48
3	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	3	198
4	MASTERING THE ZONE, by Barry Sears	4	6

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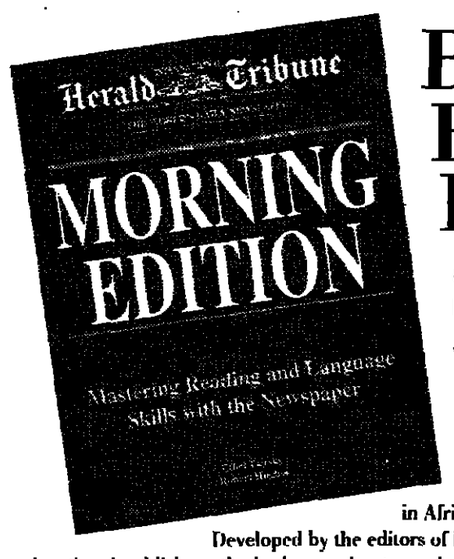

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Fred Prouser-Reuters

Notorious B.I.G., who was shot to death in Los Angeles as he left a party.

For Another Rapper, A Violent Demise

By Jon Pareles
New York Times Service

NEW YORK — On the West Coast, there was Tupac Shakur. On the East Coast, there was Christopher Wallace, a.k.a. the Notorious B.I.G. and Biggie Smalls. Now both are dead after drive-by shootings.

The two rappers were bitter rivals, as Shakur accused Wallace of copying his style. Both were associated with hip-hop moguls who had their own coastal feud: Shakur with Marion (Suge) Knight of Death Row Records and Wallace with Sean (Puffy) Combs of Bad Boy Entertainment.

Despite their differences, both purveyed a similar message. They rapped about a life of gun toting, drug dealing, easy women and endless battles for dominance. That life, spawned by inner-city poverty, was titillating and dramatic, but it was inevitably suicidal, with violence begetting violence.

The Notorious B.I.G., who was killed early Sunday in Los Angeles, said death was always on his mind. His first album, released in 1994, was "Ready to Die" (Bad Boy/Arista); his second, a double album due out on March 25, is called "Life After Death." On "Ready to Die," he described himself as a former drug dealer and stickup man who had turned to rapping. "Used to sell crack so I could stack my riches," he rapped. Actually, he did not have the riches yet. In the March 8 issue of Billboard, he recalled, "When I made 'Ready to Die,' I was broke and depressed."

But he fantasized a mixture of success and anxiety — part exploitation, part warning. He recalled the mundane details of bagging, transporting and selling drugs; he boasted about sexual conquests and mourned a murdered girlfriend. The album matter-of-factly recounted the shootings and jailings of friends, and it was laced with paranoia, as the narrator's newfound riches made him a target. As the album ends, the narrator commits suicide.

Song titles for his second album include "Notorious Thug," "Ten Crack Commandments" and "Niggas Bleed Just Like Us."

On stage, Wallace performed with a show of opulence, settling his 280-pound frame into a thronelike chair, a pasha of rap who asserted that he would defend himself against all comers.

Like Shakur, the Notorious B.I.G. clearly perceived the hazards of living by the gun. On "Ready to Die," both his lyrics and his ominous production revealed his misgivings. Many gangsta rappers prophesy their own deaths with bravado or fatalism. Sometimes that prophecy comes true.

Women's Work: Comedy and Morality

By Michael Billington

LONDON — Women dominate the agenda this week: two new plays, from April de Angelis and Marie Jones, plus a major Stratford production from one of the best directors in Britain, Katie Mitchell.

April de Angelis's **"The Positive Hour"** (at the Hampstead) is a witty, intelligent comedy about a group of women who, in the wake of the feminist revolution, are all struggling to give meaning and definition to their lives. The play implies that we are all, in an age shorn of idealism, floundering in the dark.

De Angelis's heroine, Miranda, is a social worker and former '60s radical. But her marriage to a wan academic who can't finish his book on Hegel is in as much of a mess as the counseling group she runs for a trio of disturbed women: Emma is a failed painter dabbling in sadomasochism, Paula is a battered single mother trying to retrieve her fostered child, and Nicola is a nervous student struggling to escape a lunatically possessive father.

It sounds grim and gritty but, in fact, de Angelis depicts the moral muddle of modern life with engaging lightness. She is clearly saying that the Hegelian belief in the progress of reason and the political idealism of the '60s are dead in the water. Her most positive character, in fact, is the world-class mum who takes the law into her own hands.

But de Angelis dissects our current malaise with a mixture of compassion and wit; Emma's private encounters with a man in a leather mask are hilarious, with both parties behaving with studied middle-class decorum. Max bruised figure still reeling from her husband's defection with a younger woman. Her chum, Anna, also puts a brave face on the fact that her own marriage is entirely devoid of passion. Through their encounters with a whimsical waiter, who takes on the identity of the various men in their lives, the two women resolve over a weekend to fight for their right to get all the sex and love they can.

THE BRITISH STAGE

Stafford Clark's production for the touring Out of Joint company is fluent and excellently acted by Margot Leicester as the unconsciously manipulative Miranda, Patti Love as the sexually experimenting Emma and Julia Lane as the gutsy Paula, whose sheer survival instinct offers hope in a world where bourgeois radicals blindly stumble.

If this is middle-class comedy at its best, Marie Jones's **"Women on the Verge of HRT"** (presented at the Vaudeville by Ireland's Dubbeljoint company) is a more old-fashioned piece of consciousness-raising propaganda. It deals with two Belfast women who have made the pilgrimage to Donegal to hear a singer called Daniel O'Donnell; Ireland's real-life answer to Barry Manilow or Cliff Richard in that his biggest fans are adoring middle-aged mums.

Vera, played by the author, is a badly

What Jones has to say is fine. But her play, a huge hit on tour in Ireland and Scotland, looks a bit out of place in the West End, where its endorsement of middle-aged sex seems to be preaching to the visibly converted. The writing also has the thinness of sitcom rather than the substance of real drama. But the play gets by, just about, on its single-minded pugnaciousness and on Pam Brighton's ebullient production in which all three characters — played by Jones, Eileen Pollock and Dessie Gallagher — burst into song at the drop of a hand-mike.

THE most ambitious venture of the week, however, is Katie Mitchell's two-part production of **"The Mysteries"** at The Other Place in Stratford-upon-Avon. In the 1980s these 14th-century guild plays, taking us from the Creation to Christ's resurrection, were given a famous promenade production by Bill Bryden at the National Theatre. Now Mitchell, working from a new adaptation by Edward Kemp, has given them a totally fresh look emphasizing human responsibility.

Even God, superbly played by David Ryall, is a recognizably human figure who chuckles delightedly at his creation of the manifold riches of the earth and who, after the fall of man, is constantly torn between mercy and vengeance. And, after the stirring Old Testament first part, we get the New Testament second part where Jesus is played by Paul Hilton as an impulsive, impassioned figure who, since he constantly greets his disciples while balancing upside down, might best be described as headstrong.

Mitchell directs with miraculous simplicity: She is particularly strong in the first part, where she brings out the comedy of God's injunction to the clueless Noah to build a vast ark and of the aged Joseph's surprise on returning home from a business trip to find Mary hugely pregnant. Played on a bare stage, these plays still grip even in an increasingly secular society, not least because Mitchell does everything possible to bring out their humanity.

Michael Billington, drama critic of The Guardian, is filling in for Sheridan Morley.

In a French Opera, Murder at the Airport

By David Stevens
International Herald Tribune

PARIS — The dramatic premise of "60th Parallel," an opera by the French composer Philippe Manoury that has just had its world premiere at the Chatelet, is that a disparate group of airline passengers is stranded in a desolate far northern airport awaiting the end of a blizzard.

At the end of the opera's 90 minutes, they are still waiting, except for two who have been murdered — one offstage and the other with such professional discreetness no one really notices. The killer is a war criminal reluctant to be taken back to face the music. Another minidrama involves a distraught woman who has been left by her husband, and her companion, who is taking her to Miami with a lesbian dalliance in mind. A loony scientist is preparing a paper on Einstein's brain, which he may have in his luggage. There are other small events as waiting gradually gets on everyone's nerves.

Musically, the work begins with a densely written prelude that develops into a kind of perpetual storm music, swelling and ebbing, yet also giving a feeling of immobility. Against this background are other musical events. A scruffy man with a ghetto blaster provides a loud rock interlude. There is also a waltz and a group of children singing a nursery rhyme. All this is subtly manipulated from time to time by electronic devices.

Officially, the work is presented as a three-way collaboration among composer, the writer-librettist, Michel Deutsch, and the stage director, Pierre Strosser. But that is a formality. All opera is collaboration, but in the end the composer carries the ball.

The composer says he took Richard Strauss (among others) as a model for making the text comprehensible despite a basically heavy orchestral background. He was only partly successful, and much of the text was lost in the theater's space — a good case for surtitles.

At the end, the weary travelers are just where they were at the beginning, the airport's loudspeaker announcements are getting more detached from reality, and a vague feeling sets in that this is someplace like Sartre's "Huis Clos," if not Hell itself then at least the anteroom to Purgatory.

David Robertson and the Orchestre de Paris offered an excellent cast solid support from the pit.

At the Theatre des Champs-Elysees another kind of collaboration is at work in "Ombra Felice," with Mozart as the posthumous collaborator. The staging and designing duo of Karl-Ernst and Ursel Herrmann have taken about 25 of the composer's concert arias and a couple of his comic Viennese-dialect scenes.

Since Mozart's almost always set his concert arias to operatic texts, the theater is never far away. What the Herrmanns have done is to seize on the theatrical implications of the arias and try to link them in some coherent progression. This is done with the help of poetry by Ingeborg Bachmann, Hans Arp, Marivaux, Heine and Holderlin, delivered by Mireille Mosse, a very small and droll actress.

Because Mozart's arias include some of the finest things he wrote for the voice, and because they are sung handsomely by Cyndia Sieden, Elzbieta Szmytka, Veronica Cangemi, Nathalie Stutzmann, Yann Beuron and Woytek Drabowicz, the evening is a delight, albeit a long one. Louis Langree and the Orchestre de Picardie, who shared the stage with the singers, gave solid support.

Chinese Dior Makes a Splash

By Suzy Menkes
International Herald Tribune

PARIS — With lacquer-red nails clutching a bamboo-handled purse, Shanghai Lil sets off for Paris. What's an Asian babe to wear? Why, Dior, of course. For John Galliano's first ready-to-wear collection for the French couture house was a homage to China in the '30s.

It made an arresting spectacle, with the painted-cheek models acting like Oriental pinups, stroking themselves as they prowled the extraordinary decor. Shinto arches, rice-paper screens hung with Oriental flowers, blue and white porcelain and even a Willow Pattern bridge were part of the fantastic set created inside an Asian art museum for Tuesday's fall/winter show.

Dior had spent a ton of money to showcase the house's craft and Galliano's art. His familiar siren evening dresses were beauteous creations, with orchids veiled under black chiffon or open sides buckled together over bare flesh. The cheongsam was given a whirligig spin, as a mandarin-collared top appeared above short, full skirts, as well as on slinky dresses. Those high collars, edged with pearls, were one of many couture touches, which included silk fringes, cute purses, Madame Butterfly hair ornaments and Chinese embroideries on a side-split trouser suit.

In fact, give or take the fluffy sweater dresses in fondant colors, this might have been a polished version of the raw January couture show. Yet it was ready-to-wear. And apart from throwing a bone to the fashion industry, which will run up Suzy Wong brocade dresses, where were the customer clothes?

The Lolita daywear could be transformed by conventional skirts and by removing the platform-soled flowered sandals and bobby socks. Some of the body-conscious jackets even looked like Chanel, seen through Galliano's romantic color prism of mauve, boudoir pink and powder blue.

Galliano is doing for Dior what he has always done: romantic clothes, referencing the past and on the costume-party side, but given a modern sensuality. What Dior already gets out of this deal is a sense of occasion and excitement, an edgy, even decadent sexiness. Over to the commercial boys to turn Galliano's image-making Chinese frolics into a buck.

Moore/Thomas

Dior's fringed dress by Galliano.

The Orient is already a theme of the season and the Belgian designer Dries Van Noten had a magical way of making ethnic seem actual, with brocade kimono coats lapping the body and Oriental-print pants peeping under a coat.

The modern romantic show the designer sent out on a gilded runway was a beautiful rendition of everything he

PARIS FASHION

loves: layered clothing, creating a long-line fluid silhouette, with a subtle play of light and shade. That meant mat, masculine fabrics and neutral colors illuminated with Oriental brocade, used as a coat lining, an obi sash or the vest front of ribbed knit. Even the shoes were decorated with gilt studs.

How does Van Noten manage to get so much into each outfit and yet never walk that yellow-brick road into fashion's fantasy land? Because broken down into individual pieces, the collection has a signature style and makes sense.

Long coats and tailored jackets, some lightly padded, go over tunics and pants. The designer then integrates a ribbed knit coat, a velvet dress, a glitter sweater or a wrap skirt. This all-in-the-mix fashion is typical of Van Noten, but it was exceptional to use the solid fabrics of a winter season with such finesse.

Playing with texture, as on piano keys, is another theme of the early Paris shows. The wood-grain backdrop was in the spotlight at the end of Junya Watanabe's show — to reinforce his message that the subtle mixes of pattern, tone and texture were like the finest woodwork. First came fitted tunics and pants in marquetry-style patterns of seaming that made chevrons, diagonals and horizontals out of pinstripes.

Those pantsuits were the base to which apron dresses were added, fastened with pins or ties and sometimes in floral-patterned fabrics. Colors were soft and sweet: teal blue, dusty pink, apricot and lovat green. They were used for plaids, with different patterns cut into the tailoring. It sounds complicated, but the clothes were mostly subtle and simple, showing a strong stride forward for Watanabe.

"Classic is definitely in," said Gene Pressman, president of Barneys, New York to explain the transformation of Dirk Bikkembergs from heavy metal, hard leather and clubwear to a couture style. The show, presented in a gilded hotel salon, was an about-turn for the designer and brought a new elegance to tailored pantsuits. They still had his signature metallic effects, as a silver necktie knot or metal fox-head on a fur boa. The show was calm, clean, classy, commercial — and couture. But in a season when leather is such a strong story, the show missed Bikkenbergs's hard-edged style.

Which designer is so powerful that American clients would fly in for his first show? They crossed the pond for Lucien Pellat-Finet — the designer whose cashmere sweaters, hand-stitched in French mountain villages, are collectors' items. Under the gilded cherubs of his showroom ceiling, Pellat-Finet sent out a play-on-textures collection. His double-face clothing, this season in checks, is also sought after, but the soul of the line is in the knits, some as delicare and lacy as old-fashioned underwear. They correspond to that current aesthetic of luxury as a private pleasure.

MAURIZIO GALANTE

PARIS MARCH 1997

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them a totally fresh look on
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God, superbly played by David
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Michael Billington, drama critic of the Guardian and author of Stanley Kubrick: A Retrospective.

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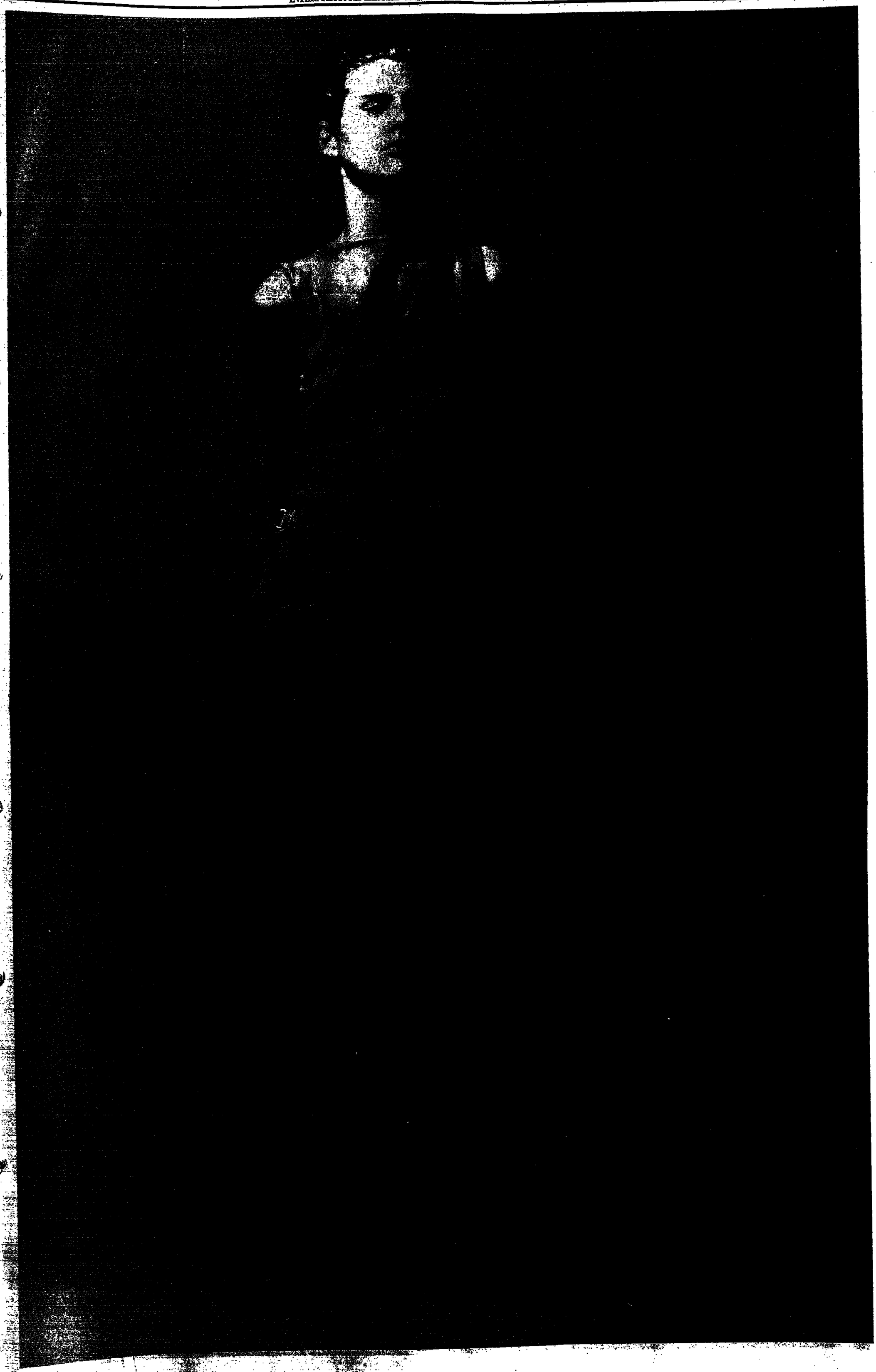

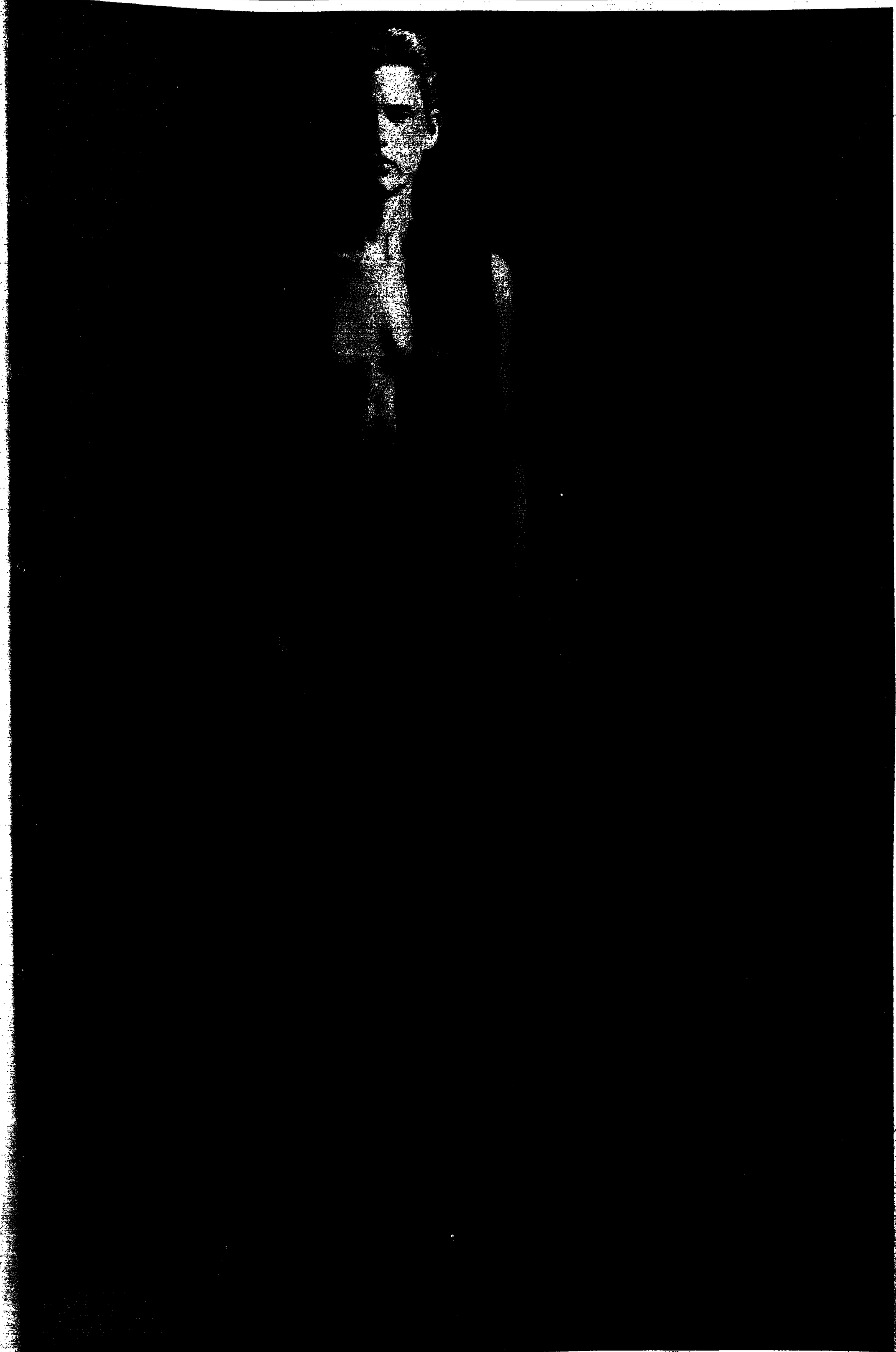

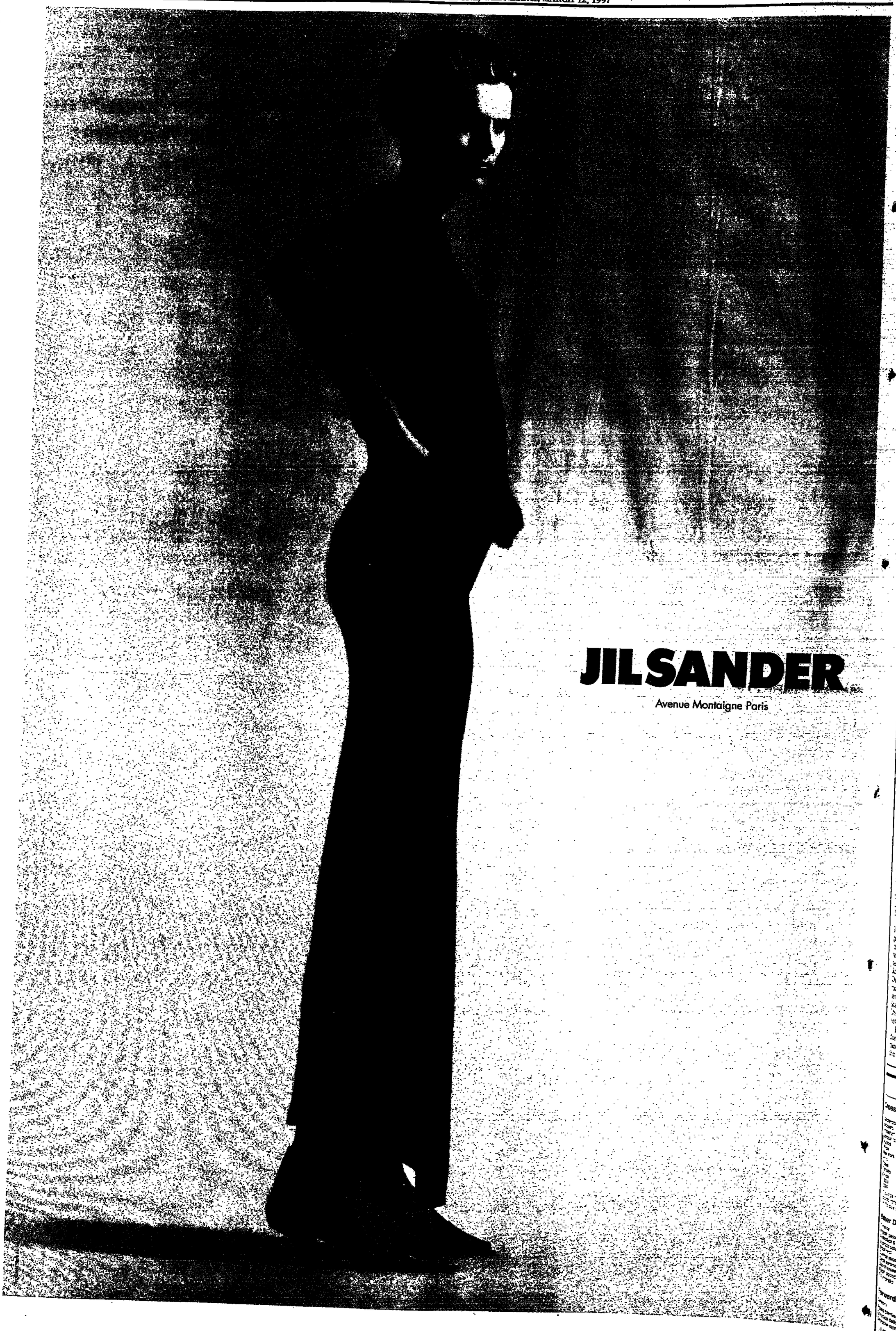
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Delors Accuses Bonn Of Bungling the EMU

Ex-Official Depicts Its Stance as Too Rigid

Compiled by Our Staff From Dispatches

BONN — Jacques Delors, the former European Commission president, chided German leaders Tuesday, saying they had mishandled the issue of Europe's proposed single currency and worried voters needlessly about its stability.

"They have gotten people upset with some of their arguments," Mr. said on German Radio. "They have not used good arguments."

About three-quarters of Germans regularly tell opinion pollsters that they oppose the plan to scrap their solid Deutsche mark for a European currency they do not know.

Senior members of the Bundesbank's central council, meanwhile, have suggested that criteria for joining the currency need not be interpreted as rigidly as German officials have said.

The European Union must launch its planned single currency on time, the bank officials said, or risk serious setbacks.

The central bank officials hold this position even though Germany — the driving force behind integration — may miss key entry targets.

"In my opinion European currency union can start in January 1999 while conforming to those EMU convergence criteria that are most often discussed," Ernst Welteke, president of the state central bank in Hesse and a member of the German central bank's policy-making council, said Monday.

Mr. Welteke said he wondered how a budget deficit of just under 3 percent of gross domestic product would be good for stability while a deficit of slightly over 3 percent would be negative.

The Maastricht treaty outlining the accord says countries joining a single currency should have budget deficits at or under 3 percent of gross domestic product and overall debt levels at or under 60 percent of GDP.

These comments followed renewed speculation in recent days that Germany would fail to meet the Maastricht standard for deficit spending because of its ballooning unemployment.

One of Germany's leading economists, Herbert Hax, called over the weekend for a delay in monetary union., arguing that Bonn would probably fall short of the standards on budget deficits and debt that it itself insists on. Mr. Delors criticized Finance Minister Theo Waigel of Germany's repeated insistence on the strictest possible interpretation of the treaty's criteria for participating countries.

"There is no magical number precise down to the second digit after the decimal point" for determining the best candidates for a single currency, Mr. Delors said.

The German government increased its deficit forecast for this year from 2.5 percent of GDP to 2.9 percent to allow for the cost of rising unemployment, even before a surge of 515,000 in the unemployed total in January and February. That drove the overall number to a record of 4,671,000, or 12.2 percent of the work force.

Last week, a senior member of the Bundesbank, Klaus-Dieter Kuehbacher, expressed doubt that Germany would be able to meet the strictest interpretation of the single-currency conditions even if taxes were increased or welfare were reduced. *(Reuters, AFP)*

■ Britain's Euroskeptics Warned

Twenty-three leading British industrialists have attacked "the spread of extreme Euroskepticism" and warned about the dangers of hostility toward the European Union, Agence France-Presse reported from London.

The group warned, in a letter to the Financial Times, that unless Britain demonstrated its continued commitment to Europe, its negotiating position will be "gravely weakened." If it rules out membership in European monetary union, the group added, it will risk isolation.

The signatories included the chairmen of British Airways, Unilever, Guinness, ICI, British Steel, Vauxhall, British Petroleum, Coopers & Lybrand, EMI Group and Goldman Sachs International and the chief executives of National Westminster Bank, British Telecom, BAT Industries and SmithKline Beecham.

"As business people operating not only in Europe but across the world, we have watched with dismay the spread of extreme Euroskepticism and of the mistaken belief that an arm's-length and hostile attitude on Europe is now in the UK's best interests," the letter said.

Agence France-Presse

SEEKING FORGIVENESS — Shunsuke Inamori, president of Ajinomoto Co., apologizing after two executives were arrested. Page 17.

Deutsche Telekom Sees 1997 Profit Doubling After 24% Rise in 1996

Compiled by Our Staff From Dispatches

HANNOVER, Germany — Deutsche Telekom AG said Tuesday it expected profit to double this year and that it would expand cooperation between its T-Online service and Microsoft Corp.

The company's chairman, Ron Sommer, said net profit at the parent-company level rose 24 percent in 1996, to 1.6 billion Deutsche marks ($936 million), assuring payment of a dividend of 0.60 DM a share. "Group net profit will, of course, be higher than this," he said.

In the company's first detailed report on revenue since it sold shares to the public in November, Telekom said sales rose to 63.1 billion DM from 59.6 billion DM. The figures were adjusted to account for value-added tax, which the company paid for the first time in 1996. Its German business accounts for more than 90 percent of Telekom's sales.

Mr. Sommer said the company's first reports on 1997 results showed it was on track to meet its forecasts and to double its dividend to 1.20 DM a share.

"We expect the positive sales trend to continue in the current year," he said.

"By indicating that the dividend is going to double, we can already be assured that net profit will more than double."

The company's shares surged on Mr. Sommer's statements, closing at a record 34.85 DM, up 0.93.

Analysts said that although the company's report contained no surprises, the positive outlook confirmed investors' view that Deutsche Telekom would be able to withstand competition when the German telecommunications market is fully opened Jan. 1, 1998.

Wall Street gives a lift to European stock markets. Page 15

"They're simply very strong in many important areas and will stay strong," Petra Heist, a telecommunications analyst at Bayerische Vereinsbank, said.

Telekom's share launch, the largest ever in Europe, attracted 2 million private shareholders and gave a needed boost to Germany's weak "shareholder culture." So far, those shareholders have stuck with Telekom in its short history as a listed company, but their next test is just two months ahead.

In Germany, investors who hold shares for less than six months must pay taxes on capital gains from share-price appreciation. But if they hold them more than six months, the gain is tax-free. In May, it will have been six months since the Deutsche Telekom offering.

Mr. Sommer also announced that the 1.4 million subscribers to its on-line service T-Online would have access to Microsoft Network, the on-line service of Microsoft Corp. In an extension of a cooperation agreement between Telekom and Microsoft, the on-line magazines and so-called chat forums from MSN will be integrated into T-Online. *(Reuters, Bloomberg)*

■ Koninklijke's Earnings Rise

Koninklijke PTT Nederland NV said its 1996 net profit rose 9 percent, lifted by record sales and high income from its telephone and postal businesses, Bloomberg News reported from Groningen, Netherlands.

Koninklijke PTT, which is 48 percent state-owned, posted net income of 2.46 billion guilders ($1.28 billion).

7,000 Autoworkers Protest at Renault

Compiled by Our Staff From Dispatches

PARIS — Thousands of European autoworkers demonstrated Tuesday at the headquarters of Renault to protest its decision to close an assembly plant in Belgium and cut nearly 3,000 jobs in France this year.

At least 7,000 people, mostly from France and Belgium with a handful from Spain, took part in the demonstration against the troubled French auto manufacturer, which is set to announce huge losses next week.

"This pan-European demonstration is a first at Renault," said Philippe Martinez, a spokesman for the Communist-led CGT union, the biggest at Renault.

Hundreds of police in riot gear were stationed outside the automaker's headquarters in the Paris suburbs, but no confrontations were reported.

The protest was a sign of the mounting unease with which many of Europe's workers view the increased competition — and lack of government protection — brought on by a united European market. Many fear they will lose their jobs and benefits as a result.

"The unions are taking the initiative to create a Europe of social standards," said Emmanuel Couvreur of the CFDT union, the second-largest at the company. "Europe's politicians cannot be relied upon to move things forward socially. Only the European unions can provide a counterweight to free-marketeering excesses."

Prime Minister Jean-Luc Dehaene of Belgium has condemned the decision, and President Jacques Chirac of France has criticized Renault for the way it handled the closure.

"I do not approve," Mr. Chirac said in a television interview Monday. "I believe basic procedures have to be respected." The French state is Renault's largest shareholder, with 46 percent.

Renault, the smallest and weakest of Europe's six automakers, is expected to report an operating loss of more than 2 billion francs ($350 million) for 1996 and a total loss of close to 6 billion francs including restructuring charges. *(Reuters, AP)*

■ Nissan Increases Stake in Spain

Nissan Motor Co. will invest about 100 billion pesetas ($690 million) in Spain during the next five years to introduce three new models, Nissan Motor Iberica SA said, Bloomberg reported from Barcelona.

The automaker will build two small vans and a sport-utility vehicle at its Barcelona plant, with production to start in 2000.

MEDIA MARKETS

TV and the Web: Happy Together?

By Steve Lohr
New York Times Service

Not long ago, traditional media companies were said to be dinosaurs in the new-media world of the Internet — out of step, useless, probably endangered. But today, the old-media reptiles are looking increasingly attractive as partners to some of the more popular sites on the World Wide Web.

Last week, Sportsline USA Inc. sold a 22 percent stake to the CBS television network in a deal valued at $100 million. The network, a unit of Westinghouse Electric Corp., acquired its stake in the on-line sports service in exchange for advertising, promotion and programming over five years. CBS has an option to raise its stake to 33 percent through an additional cash investment.

The CBS-Sportsline deal comes as Starwave Corp., a leading Internet programmer of sports, entertainment and family sites, is negotiating to sell roughly a one-third stake to Walt Disney Co. for $80 million to $100 million. Starwave already has a partnership with Disney's ESPN cable sports channel to run ESPNnet Sportszone, a popular Internet sports site. In recent months, Starwave has also begun working with Disney's ABC News to build up the network's on-line presence.

Both moves are viewed as an endorsement of the Internet by old-line media companies — and they are. But the moves also show how even the most successful Internet media companies need the backing of older, established ones to enlarge their audiences and build profitable on-line businesses.

The on-air promotion from ESPN has helped make Starwave's Sportszone the leading Internet sports site in traffic and advertising. After the computer sites and Internet search sites, Sportszone is perhaps one of the most popular sites on the Web.

Sportsline, the No. 2 sports site, recognized that it needed a television network partner to compete.

One lesson, it seems, is that the attractions of Internet technology — its cheap distribution and low cost of entry for newcomers — have not rewritten the rules of competition for consumer media. Perhaps the most valuable commodity on the sprawling Internet is attention, or "mindshare," and established brands and mainstream promotion are invaluable in delivering it.

"A lot of the old principles really do apply in this medium," said Rich LeFurgy, Starwave's vice president of advertising and marketing. "Brands still matter, and promotion still matters. That's why the cross-promotion on television is so important. You need to be where the people are, not just on the Net."

Another reason partnerships with traditional media companies appear attractive is that in the new-media field, building a profitable business is proving more time-consuming and costly than many start-up companies had planned.

Some trends are encouraging. There are signs that on-line advertising is at last picking up. Analysts, for example, were surprised by the strong ad revenue that helped Yahoo! Inc., an Internet directory, become profitable in the fourth quarter of last year.

"We almost teared up around our shop when we reported that profit," Jeffrey Mallet, a senior vice president of Yahoo!, told his audience at the Jupiter Communications on-line conference in New York last week.

By 2000, on-line advertising is projected to reach $2.7 billion, compared with $220 million last year, according to Yankee Group, a research firm in Boston. Yet most of the advertising revenue is expected to flow into the coffers of just a few companies.

Some of the larger ones say they welcome the evolution.

America Online Inc. estimates that sites backed by AOL Studios, which creates and invests in on-line programming, will generate $200 million in revenue over the next 12 months from advertising and transaction fees — up from $5 million two years ago.

Microsoft Corp. is spending more than $300 million a year on its media efforts, from its Microsoft Network Internet service to its MSNBC cable television and on-line partnership with the NBC unit of General Electric Co.

Pete Higgins, Microsoft's group vice president for interactive media, said he was optimistic about the new-media business, *but only over the long haul.*

Global Private Banking

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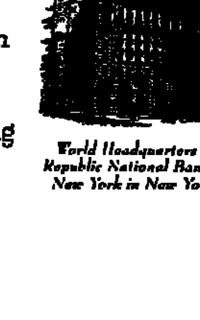

World Headquarters of Republic National Bank of New York in New York.

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CURRENCY & INTEREST RATES

Cross Rates

March 11

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9205	3.081	1.157	0.3309	0.1131*	—	5.4565*	1.3021	1.5755*	1.4865	1.326*
Brussels	35.125	56.40	20.6315	6.1175	2.082*	18.3295	—	23.92	0.289	25.67	24.39*
Frankfurt	1.7078	2.739	—	0.2965	0.1007*	0.8884	4.8475*	1.1573	1.4008*	1.2466	1.1793*
London (a)	1.6052	—	2.7377	9.2295	2,724.99	3.0818	56.487	2.3672	195.6017	2.1932	232.3528
Madrid	144.706	232.224	84.797	25.145	8.535*	75.336	4.1104	98.886	118.806*	105.707	—
Milan	1,693.70	2,723.40	993.80	294.42	—	881.95	48.158	1,147.15	13.884	1,236.75	11.712
New York (b)	—	1.6077a	1.7038	5.7435	1,696.00	1.9174	35.15	1.471	121.785	1.3673	144.73
Paris	5.7540	9.2355	3.3723	—	0.3395*	2.9961	0.1635	3.9008	4.7248*	4.2071	3.977*
Tokyo	121.70	195.10	71.51	21.21	0.721	63.54	3.4672	83.54	—	88.75	0.8427
Toronto	1.3668	2.1971	0.8023	0.238	0.0806*	0.7128	0.3889*	0.9294	1.1221*	—	0.946*
Zurich	1.4745	2.3643	0.8643	0.2565	0.0869*	0.7677	4.1985*	—	1.2099*	1.0788	1.019*
1 ECU	1.3444	0.7131	1.953	6.586	1,940.21	2.1982	40.2897	1.6884	139.392	1.5655	165.611
1 SDR	1.3752	0.8603	2.3508	7.9899	2,331.80	2.6415	48.4603	2.0097	167.70	1.8822	198.68

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	267.69	Mex. peso	7.953	S. Afr. rand	4.4240
Australian $	1.2657	Hong Kong $	7.7428	N. Zealand $	1.4215	S. Kor. won	878.60
Austrian sch.	12.006	Hung. forint	177.30	Norw. krone	6.8168	Swed. krona	7.6170
Brazil real	1.0526	Indian rupee	35.85	Phil. peso	26.32	Taiwan $	27.52
Chinese yuan	8.3253	Indo. rupiah	2396.25	Polish zloty	3.08	Thai baht	25.95
Czech koruna	29.19	Irish £	0.6416	Port. escudo	171.12	Turkish lira	124400.
Danish krone	6.506	Israeli shek.	3.3613	Russ ruble	5683.00	UAE dirham	3.6705
Egypt. pound	3.3938	Kuw dinar	0.3038	Saudi riyal	3.75	Venez. boliv.	476.50
Fin. markka	5.0860	Malay. ring.	2.4732	Sing. $	1.4320		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6040	1.6032	1.6024	Japanese yen	121.29	120.82	120.29
Canadian dollar	1.3650	1.3625	1.3599	Swiss franc	1.4705	1.4662	1.4615
Deutsche mark	1.7034	1.7004	1.6970				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

March 11

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 3/4 - 2	5 15/16 - 6 1/16	3 3/16 - 3 5/16	1/2 - 9/16	4 1/16 - 4 3/16
3-month	5 9/16 - 5 11/16	3 1/16 - 3 3/16	1 5/8 - 1 7/8	6 1/16 - 6 3/16	3 1/4 - 3 3/8	7/16 - 9/16	4 1/8 - 4 1/4
6-month	5 9/16 - 5 11/16	3 1/16 - 3 3/16	1 5/8 - 1 7/8	6 1/2 - 6 5/8	3 5/16 - 3 7/16	7/16 - 9/16	4 1/8 - 4 1/4
1-year	5 7/8 - 6	3 1/8 - 3 1/4	1 5/8 - 1 7/8	6 13/16 - 6 15/16	3 3/8 - 3 1/2	1/2 - 5/8	4 3/16 - 4 5/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/8
90-day CDs dealers	5.44	5.44
180-day CP dealers	5.37	5.37
3 month Treasury bill	5.17	5.19
1-year Treasury bill	5.67	5.67
2-year Treasury bill	6.09	6.07
5-year Treasury note	6.41	6.39
7-year Treasury note	6.50	6.48
10-year Treasury note	6.57	6.55
30-year Treasury bond	6.85	6.82
Merrill Lynch 30-day RA	4.87	4.87
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.39
1-month interbank	0.59	0.59
3-month interbank	0.59	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.42	2.43
Germany		
Lombard rate	4.50	4.50
Call money	3.23	3.20
1-month interbank	3.28	3.28
3-month interbank	3.25	3.25
6-month interbank	3.25	3.25
10-year Bund	5.59	5.66

Britain		
Bank base rate	6.00	6.00
Call money	6.00	6 1/16
1-month interbank	6.00	6.00
3-month interbank	6 1/8	6 3/16
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.25	7.26
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 5/16
6-month interbank	3 3/8	3 3/8
10-year OAT	5.54	5.55

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

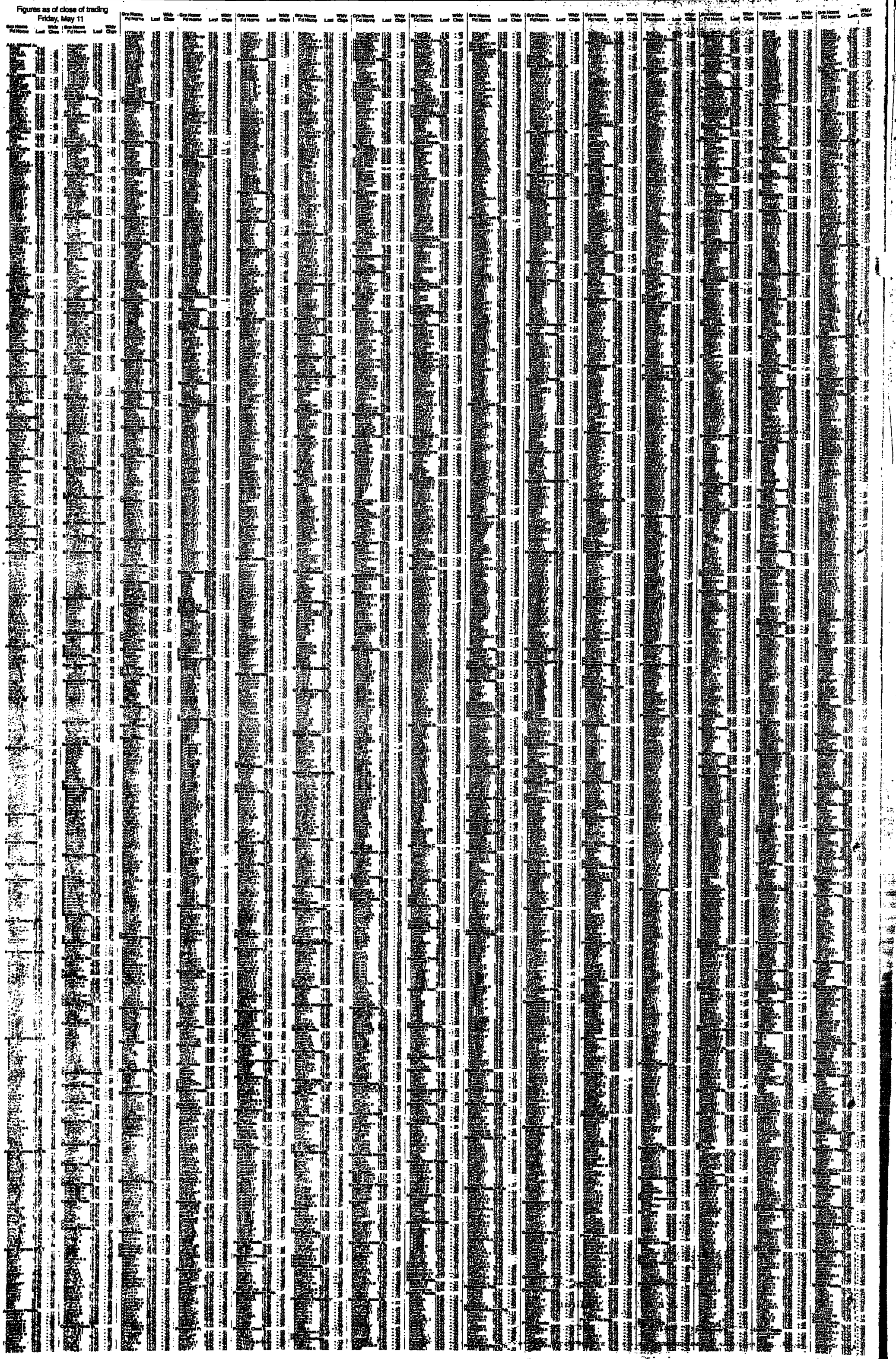
	A.M.	P.M.	Ch'ge
Zurich	353.25	351.25	+0.75
London	352.60	351.95	+1.70
New York	353.30	355.10	+2.00

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)

Source: Reuters.

MUTUAL FUNDS

Figures as of close of trading Friday, May 11



هكذا من الأصل

EUROPE

Asset-Sale Veteran To Run Thomson Before Privatization

Compiled by Our Staff From Dispatches

PARIS — The government Tuesday appointed as chairman of Thomson SA an executive with a track record of preparing state-owned companies for sale.

Thierry Breton, a state-appointed administrator at the computer maker Groupe Bull, will succeed Marcel Roulet as chairman of the government-owned producer of consumer and defense electronics goods.

Mr. Roulet will remain chairman of Thomson-CSF, the defense-electronics unit of Thomson. But Mr. Breton will take direct control of Thomson Multimedia, the company's consumer-electronics unit.

"The government has just taken the decisions necessary for the privatization of Thomson-CSF to enter the operational phase," the Industry and Finance ministries said.

Mr. Breton will be responsible for privatizing Thomson Multimedia and will make proposals for the sale shortly, the ministries said.

As executive president of Bull, Mr. Breton oversaw cost cuts and the sale of its Zenith Data Systems Inc. personal-computer unit, restoring it to profitability. The government allowed core shareholders, including Motorola Inc. and NEC Corp., to buy bigger stakes in Bull a year ago and take control.

The government said it had chosen Mr. Breton to oversee the sale of Thomson's units to private investors "because of his contribution to the turnaround" of Bull and to its privatization.

"This tips the scales toward a gradual privatization of Thomson Multimedia, like what was done with Bull," said Luis Manjon, a Thomson SA board member who represents the General Confederation of Labor.

Thomson Multimedia, the largest producer of televisions in North America, reported a loss of 3.1 billion francs ($538.9 million) for 1996 as competition among makers of consumer electronics and lagging European demand hurt profit margins.

Thomson Multimedia has said it will close several factories and cut as many as 10,000 jobs worldwide to try to return to profitability in 1999.

Mr. Breton's appointment comes four months after Paris blocked a sale of Thomson SA to Lagardere Group, which planned to transfer Thomson Multimedia to Daewoo Electronics Co. of South Korea, amid public protest over potential job losses. *(Bloomberg, Reuters)*

■ Aerospatiale Is Excluded

Aerospatiale will not be allowed to bid for Thomson-CSF, the French Defense Ministry said, according to a Bloomberg News report. Defense Minister Charles Millon said earlier that the aerospace company's state-owned status raised questions about whether it could seek to buy part of another state-controlled company.

American's Katz To Lead Swissair

The Associated Press

ZURICH — Jeffrey Katz, a former executive with American Airlines, will take charge of Swissair in January as the airline bids to become more competitive internationally, SAirGroup AG said Tuesday.

Mr. Katz, 41, will take over as chief executive officer from Philippe Bruggisser, who will remain president and chief executive of SAirGroup.

Two British Airways managers, Ray Lyons, 44, and Lee Shave, 39, will join Swissair, Switzerland's shareholder-owned flag carrier, as vice presidents.

"We must have international industry knowledge and experience aboard if we are to rise to the dual challenges of liberalization and an ever-toughening airline market," Mr. Bruggisser said.

Mr. Katz, who spent 17 years with American, has most recently been managing director of passenger sales for the western United States and was president of the Sabre Travel Information Network.

SAirGroup AG reported that it went into the red in 1995 with a net loss of 147 million Swiss francs ($100 million) for the year. It also had a loss of 51 million francs in the first half of last year.

Final results for 1996 have yet to be announced.

It's No Big Deal, Boeing Says

U.S. Giant Tries to Calm EU Over McDonnell Purchase

By Tom Buerkle
International Herald Tribune

BRUSSELS — Philip Condit, the chief executive of Boeing Co., has a novel way of trying to persuade European antitrust regulators to approve his company's planned takeover of McDonnell Douglas Corp.: He is talking down the company that Boeing wants to pay $13.3 billion to acquire.

McDonnell won just 3 percent of worldwide orders for commercial aircraft last year, Mr. Condit said Tuesday to a group of aerospace executives here. That puts it behind Seattle-based Boeing, the global leader, and its European rival, Airbus Industrie.

"The marketplace has already made a determination on the economic viability of McDonnell Douglas," Mr. Condit said.

Airbus has said that it has about 35 percent of the world market for aircraft with more than 100 seats, compared with more than 50 percent for Boeing and less than 10 percent for McDonnell Douglas.

Between McDonnell's dwindling civilian order book and the prospect that the deal could persuade some airlines to buy Airbus as a counter to Boeing's dominance, "I don't think they bring market share either way," he said.

While many airline executives and analysts share that view, Mr. Condit faces a harder sell in Karel van Miert, the European Union competition commissioner.

Even before the two men met for an hour at the European Commission headquarters Tuesday in Brussels, aides to Mr. van Miert said he was certain to order a more detailed investigation after an initial one-month review ended next week.

To date, Mr. van Miert has expressed concerns that Boeing's sheer size after combining with McDonnell Douglas could enable it to abuse its dominance of the civilian-aircraft market to the detriment of Europe's industry.

His position has been buttressed by a turnaround of sorts at Airbus, which initially dismissed McDonnell as a negligible competitor but lately has warned that a bigger Boeing could pressure subcontractors into dropping cooperation with Airbus. But antitrust specialists have doubts about what Mr. van Miert can do. In contrast to previous merger cases, in which the commission has demanded divestitures to prevent market dominance, Boeing has no significant European operations to sell.

U.S. officials, meanwhile, warn that Mr. van Miert will jeopardize the budding trans-Atlantic cooperation on international mergers if he *tries to seize the initiative from the* Federal Trade Commission, the agency that is leading the U.S. antitrust review of the deal.

Washington suspects European officials want to use the review of the deal to force a renegotiation of a 1993 U.S.-EU agreement on aircraft subsidies, an idea that U.S. officials reject. Airbus needs an estimated $8 billion to develop a 600-seat superjumbo jet to eclipse Boeing's profitable 747, and the accord limits government launch aid to 25 percent of development costs.

Wall Street Pushes Europe Higher

Bloomberg News

LONDON — Stocks rose across much of Europe on Tuesday, taking their cue from Wall Street's record close Monday and a stronger dollar, although a lackluster opening for U.S. stocks prevented even stronger gains.

Benchmark indexes in Britain, Germany, the Netherlands, Finland and Norway all closed at record highs. Stocks also rose in Austria, Belgium, Denmark, Ireland and Russia. The strong dollar — the currency rose after President Boris Yeltsin of Russia dismissed most of his cabinet — lifted shares in exporters, including British Aerospace PLC, Volkswagen AG and Nestle SA.

"At the moment, everything looks good for the market," said Christoph Arzt, chief trader at BHF-Bank AG.

"The dollar movement is positive, and we should continue to see record highs."

Most major European stock indexes have done better than the main U.S. indexes so far this year.

While the Dow Jones industrial average has risen less than 10 percent, Germany's DAX index and the Netherlands' AEX measure have risen 19 percent. Sweden's OMX index has risen 17 percent, the CAC 40 index in France has risen 16 percent, and Italy's main index is up 13 percent.

Strong earnings reports from Europe's biggest companies helped stocks Tuesday.

Deutsche Telekom AG and the British drugmaker Zeneca PLC were among the companies reporting solid profits.

Optimism that corporate borrowing costs will remain steady added fuel to the rally.

In Italy, top gainers in recent weeks have included the big banks, which have been working to increase their assets under management.

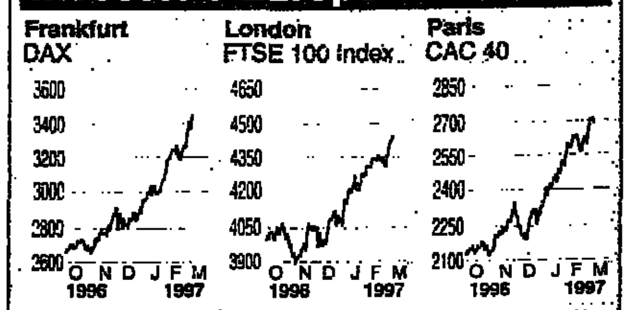
Russian stocks rose as investors took Mr. Yeltsin's decision to fire most of the cabinet as a sign that economic reform efforts would continue. Only Prime Minister Viktor Chernomyrdin and Anatoly Chubais, a first deputy prime minister, kept their jobs.

Although the responsibility of naming a new cabinet in the next week will fall to Mr. Chernomyrdin, traders and analysts said they assumed that Mr. Chubais, a pioneer of Russia's market reform moves, would bring in some of his protégés and speed the overhaul of the Russian economy.

"If Chubais is allowed to bring in the people we assume he is, then it should be a big positive for the markets," Roland Nash, chief economist at Renaissance Capital Group, said. "If he brings in the team, you're looking at one of the most reform-minded governments this country has had from the beginning."

The benchmark Russian Trading System index rose about 3 percent, to 327.37, erasing most of last week's loss.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	774.20	769.96	+0.55
Brussels	BEL-20	2,220.77	2,205.20	+0.71
Frankfurt	DAX	3,460.59	3,436.07	+0.71
Copenhagen	Stock Market	555.49	545.70	+1.79
Helsinki	HEX General	3,006.36	2,978.19	+0.95
Oslo	OBX	612.95	609.75	+0.52
London	FTSE 100	4,444.30	4,437.50	+0.15
Madrid	Stock Exchange	486.05	486.40	+0.34
Milan	MIBTEL	12,080.00	12,126.00	-0.38
Paris	CAC 40	2,686.15	2,709.21	-0.85
Stockholm	SX 16	2,991.29	3,005.67	-0.48
Vienna	ATX	1,256.43	1,245.96	+0.84
Zurich	SPI	2,960.32	2,959.03	+0.04

Source: Telekurs International Herald Tribune

Very briefly:

• **Hoechst AG,** a German chemical and drug maker, said 1996 net profit rose 24 percent, to 2.77 billion Deutsche marks ($1.62 billion) as sales fell 2.4 percent, to 50.9 billion DM. The results were worse than analysts expected, but Hoechst said it performed well amid "sluggish activity in the chemicals markets." **Bayer AG,** meanwhile, said its 1996 net profit rose a greater-than-expected 13 percent, to 2.74 billion DM.

• **Adidas AG,** the German maker of sports shoes and clothing, said it would more than quadruple its 1996 dividend, to 1.10 DM a share from 0.25 DM a share in 1995, as it announced a 28 percent rise in annual profit, to 314 million DM; 1996 sales rose 34 percent, to 4.7 billion DM.

• **The International Petroleum Exchange** in London and the **New York Mercantile Exchange,** which have traditionally been fierce rivals in the oil markets, expect to announce a deal soon that will make it easier to trade on both exchanges.

• **The Securities and Futures Authority,** a British financial regulator, banned the former Barings treasury head Ian Hopkins from being a director in London's financial district for at least three years for his part in the 1995 collapse of the investment bank. The agency also ordered Mr. Hopkins to pay £10,000 ($16,000) toward investigation costs.

• **Zeneca Group PLC,** a British pharmaceutical company, said 1996 pretax profit rose 15 percent, to a record £1.01 billion, amid healthy sales of new drugs. Sales rose 9 percent, to £5.36 billion from £4.9 billion.

• **Orange PLC,** a British mobile-phone network company, said its 1996 pretax loss widened to £229.1 million from £140.5 million for 1995 as it continued to build infrastructure and subsidize mobile handsets. Revenue jumped to £619 million from £228.7 million.

• **Generale de Banque SA,** Belgium's biggest bank, said its 1996 consolidated net profit rose 10 percent, to 15.10 billion Belgian francs ($427.5 million). *AFP, Bloomberg, Reuters*

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	154.55	+0.37	+0.24	+17.20
Regional Indexes				
Asia/Pacific	111.45	+0.92	+0.83	-16.99
Europe	163.10	-0.39	-0.24	+17.19
N. America	181.00	+0.94	+0.52	+41.10
S. America	143.31	+0.11	+0.08	+60.95
Industrial Indexes				
Capital goods	179.38	+0.42	+0.25	+34.99
Consumer goods	175.65	+0.49	+0.28	+27.22
Energy	179.47	-0.96	-0.54	+32.33
Finance	115.07	+0.89	+0.78	-9.56
Miscellaneous	160.16	+0.81	+0.51	+17.93
Raw Materials	189.73	-0.79	-0.41	+33.80
Service	143.61	+0.23	+0.16	+19.67
Utilities	138.31	+0.64	+0.46	+8.79

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News*

WORLD STOCK MARKETS

Tuesday, March 11
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 774.20 Previous: 769.96

	High	Low	Close	Prev.
ABN-AMRO	140.70	138.30	138.70	139.10
Aegon	135.80	133.50	133.60	134.20
Ahold	144	141.60	142.90	140.60
Akzo Nobel	289	283	288	282.50
Baan Co.	88.20	87	87.20	87
Bols Wess cva	38.40	36.90	37.80	36.70
CSM cva	114.50	113	113	114.50
Dordtsche Pet	367.50	365.60	366.50	365.30
DSM	202.50	198.10	198.30	199.80
Elsevier	32.50	32.10	32.40	32
Fortis Amev	79.30	78	78.80	78
Getronics	64.20	62.10	62.40	63.60
G-Broc cva	63	61.30	62.30	63.20
Hagemeyer	164.40	162.60	163.70	162
Heineken	348	335	338	345.50
Hoogovens cva	93.40	91.70	91.70	93
Hunt Douglas	161	159	160	160.20
ING Group	80.40	79.50	80.10	79
KLM	60.10	58.70	59	59.60
KNP BT	45	44.50	44.70	44.80
KPN	72	68.60	69.40	70.20
Nedlloyd Gp	59.60	58.40	58.70	58.20
Nutricia	313.80	309	313.80	307
Oce Grinten	250.90	247.20	248	247
Philips Elec	91.40	89.30	91.30	88.70
Polygram	98.80	97.20	97.40	96.90
Randstad Hdg	154	150	152.10	150
Robeco	166.40	165.90	166	165.10
Rodamco	62.90	62.70	62.80	62.50
Rolinco	170.60	170.40	170.40	170.50
Rorento	110	109.90	109.90	110.30
Royal Dutch	346	342.90	343.20	343.20
Unilever cva	364.50	358.60	363.20	355.20
Vendex Intl	93.40	89.90	91.90	89.80
VNU	41.70	40.80	41.10	40.90
Wolters Kl cva	263	253.60	255	257.90

Bangkok
SET index: 719.95 Previous: 703.32

	High	Low	Close	Prev.
Adv Info Svc	240	236	238	236
Bangkok Bk F	248	230	246	226
Krung Thai Bk	37.50	35.50	37.25	35.25
PTT Explor	340	330	338	328
Siam Cement F	672	656	668	656
Siam Com Bk F	154	142	149	140
Telecomasia	44.25	42.25	42.75	42
Thai Airways	45.25	41.75	45	42.25
Thai Farm Bk F	169	162	167	158
Utd Comm	163	158	160	161

Bombay
Sensex 30 index: 3725.87 Previous: 3768.74

	High	Low	Close	Prev.
Bajaj Auto	1052	1020	1027.25	1042.75
Hindust Lever	1004	989.75	1000.50	993
Hindust Petm	394	376	383.50	397.75
Ind Dev Bk	98.75	92.25	93.25	97.50
ITC	441	417.50	424.75	431.75
Mahanagar Tel	274.75	263.50	272	265
Reliance Ind	289	272	276.50	287.25
State Bk India	312.50	299	302.50	308.50
Steel Authority	20.75	19.50	20.50	20.50
Tata Eng Loco	398	381	384.25	394.25

Brussels
BEL-20 index: 2220.77 Previous: 2205.20

	High	Low	Close	Prev.
Almanij	14050	13875	14050	13700
Barco Ind	5880	5810	5830	5880
BBL	8290	8200	8290	8200
CBR	3490	3430	3460	3400
Colruyt	15225	14900	15000	15225
Delhaize Lion	2080	2060	2070	2060
Electrabel	8250	8200	8230	8180
Electrafina	3490	3440	3490	3470
Fortis AG	6450	6320	6370	6270
Gevaert	2535	2500	2510	2480
GBL	5150	5110	5150	5180
Gen Banque	14200	13825	14000	13750
Kredietbank	13400	13125	13350	13125
Petrofina	12775	12600	12675	12725
Powerfin	5160	5130	5130	5120
Royale Belge	8600	8480	8540	8460
Soc Gen Belg	2930	2900	2930	2880
Solvay	21400	21250	21400	21150
Tractebel	15500	15400	15400	15475
UCB	96000	94600	94600	94800

Copenhagen
Stock index: 565.49 Previous: 545.70

	High	Low	Close	Prev.
BG Bank	300.12	295	299	294
Carlsberg B	410	403	404	402.24
Codan Fors	930	920	927.90	930
Danisco	411	403	405	407
Den Danske Bk	615.62	599.06	610	605
D/S Svendbrg B	283000	274000	283000	266000
D/S 1912 B	199000	187500	199000	186000
FLS Ind B	876	850	870	860
Kob Lufthavne	710	689	690	700
Novo Nordisk B	698.50	678	698.50	674.69
Sophus Ber B	877.50	864	877	865
Tele Danmk B	365	358	363	357
Tryg Baltica	381	375	379.50	379
Unidanmark A	370	354	367	365

Frankfurt
DAX: 3460.59 Previous: 3436.07

	High	Low	Close	Prev.
AMB B	1180	1170	1170	1170
Adidas	171	167	167.30	167
Allianz Hdg	3442	3385	3442	3443
Altana	1443	1420	1430	1386
Bk Berlin	34.20	33.85	34.15	33.50
BASF	67.30	66.55	66.78	66.15
Bayer Hypo Bk	52.30	51.35	52.30	51.40
Bay.Vereinsbank	63.50	62.50	63.50	62.15
Bayer	78.35	75.25	75.25	77
Beiersdorf	94.45	94	94.30	93.70
Bewag	474	470	474	472
BMW	1249	1228	1249	1220
CKAG Colonia	162.50	160	160	163
Commerzbank	46.40	45.75	46.40	45
Daimler Benz	133.50	132.50	132.50	132
Degussa	745	731	734	742
Deutsche Bank	95.25	94.55	95	93.40
Deut Telekom	34.90	34.28	34.85	33.92
Dresdner Bank	57.65	57.40	57.65	57.80
Fresenius	363	360	360	362
Fresenius Med	165	163.50	164.50	163.70
Fried. Krupp	297	295	295.80	292
Gehe	120	117	120	118
Heidelbg Zmt	147.50	147.20	147.50	147.20
Henkel pfd	100.20	98.20	98.50	99.60
HEW	480	480	0.00	0.00
Hochtief	76.50	75	76.50	75
Hoechst	80.80	78.55	78.55	79.50
Karstadt	616	607	612	606
Linde	1185	1175.50	1175.50	1168
Lufthansa	24.53	24.40	24.50	24.27
MAN	484.50	477	480	481
Mannesmann	681	669	671	671
Metallgesellschaft	36.95	36.72	36.72	36.95
Metro	167	164.70	165.30	161.10
Munich Rueck R	4300	4270	4290	4335
Preussag	455	446	455	445
Rheinelektra	1252	1250	1252	1249
RWE	78.25	77.70	78	77.10
SAP pfd	275	274	274.70	272
Schering	164.80	163.50	164.20	161.90
SGL Carbon	229	228	228	227.50
Siemens	88.30	87.80	87.85	87
Springer (Axel)	1275	1275	0.00	0.00
Suedzucker	875	865	874	860
Thyssen	363	360.50	361.40	361.50
Veba	102.80	102.15	102.50	100.40
VEW	502	502	502	502
Viag	767.50	764	765	763
Volkswagen	946	940.50	944	910

Helsinki
HEX General index: 3006.36 Previous: 2978.19

	High	Low	Close	Prev.
Enso A	45.60	44.80	45.50	45
Huhtamaki I	247	244	247	246
Kemira	57.90	56.80	56.90	56.90
Kesko	75.40	74.40	75.40	75
Merita A	19	18.70	18.90	19
Metra B	307	305	305	306
Metso-Serla B	43	42	42.90	43
Neste	135.50	134.50	135	134.50
Nokia A	332.50	326	327	318.50
Orion-Yhtymae	189	186	187	187
Outokumpu A	95.90	95	95.80	95
UPMKymmene	118	114.50	115	116
Valmet	91.50	90.90	91	91.30

Hong Kong
Hang Seng: 13252.20 Previous: 13267.72

	High	Low	Close	Prev.
Amoy Props	9.30	9.10	9.15	9.25
Bk East Asia	26.80	26.30	26.35	26.80
Cathay Pacific	12.10	11.95	11.95	12.05
Cheung Kong	75	73	73.25	74.25
CK Infrastruct	21.60	21	21.40	21.50
China Light	35.90	35.50	35.60	35.70
Citic Pacific	40	39.50	39.50	39.80
Dao Heng Bk	39.20	38.40	39.10	38.30
First Pacific	11.30	11.20	11.20	11.35
Hang Lung Dev	15.80	15.55	15.70	15.65
Hang Seng Bk	85	84.25	84.75	84.25
Henderson Inv	8.80	8.60	8.70	8.65
Henderson Ld	68.75	67.25	67.25	68
HK China Gas	15.05	14.90	14.95	15
HK Electric	27	26.80	26.85	26.90
HK Telecomm	14.05	13.95	14	13.95
Hopewell Hdgs	4.48	4.28	4.33	4.50
HSBC Hdgs	192	190	191.50	190
Hutchison Wh	58.25	57.50	58	57.50
Hysan Dev	25.90	25.25	25.30	25.75
Johnson El Hdg	20.60	20.55	20.55	20.50
Kerry Props	19.95	19.65	19.65	19.85
New World Dev	46.50	44.50	45	46
Oriental Press	3.45	3.35	3.40	3.43
Pearl Oriental	6.05	5.85	6.05	5.80
SHK Props	89	87.25	87.50	87.50
Shun Tak Hdgs	5.55	5.45	5.45	5.50
Sino Land Co.	8.80	8.55	8.60	8.75
Sth China Post	7.45	7.10	7.40	7.05
Swire Pac A	65.75	64	64.25	65.50
Wharf Hdgs	33.70	33	33.30	33.40
Wheelock	19.55	19	19.25	19.45

Jakarta
Composite index: 687.93 Previous: 688.85

	High	Low	Close	Prev.
Astra Intl	6100	6050	6050	6150
Bk Intl Indon	1900	1825	1850	1900
Bk Negara	1550	1500	1525	1500
Gudang Garm	10650	10325	10350	10325
Indocement	3425	3400	3425	3400
Indofood	5675	5400	5600	5400
Indosat	6725	6675	6700	6650
Sampoerna HM	12100	11950	12100	12000
Semen Gresik	6350	6125	6125	6350
Telekomunikasi	4150	4050	4075	4100

Johannesburg
All Market: 7162.80 Previous: 7091.32

	High	Low	Close	Prev.
Amalgamtd Bks	27.85	27.25	27.85	27.60
AngloAm Coal	311	308	308	308
AngloAm Corp	275.75	274	275.75	272
AngloAm Gold	329	328	329	328.25
AngloAm Ind	180	179	180	176
AVMIN	17.90	17.50	17.75	17.25
Barlow	49.75	48.95	49.75	48.40
C.G. Smith	27.25	26.75	27.15	26.60
De Beers	161	159	160.75	157.50
Driefontein	48	45.50	48	45.25
Fst Natl Bk	28	27.75	27.75	27.90
Gencor	19.65	19.30	19.60	19.20
GFSA	121.75	121	121	121
Impl Hdgs	57.75	56	57.50	55.75
Ingwe Coal	28	27.55	27.80	27.55
Iscor	3.55	3.50	3.55	3.53
Johnnies Indl	58.50	58	58.25	57
Liberty Hdgs	326	324	324	324
Liberty Life	125.75	124.75	125.25	124.50
LibLife Strat	15.50	15.25	15.25	15.25
Minorco	105.75	105	105.25	104
Nampak	19.70	19.40	19.60	19.50
Nedcor	85.50	83.25	85	83
Rembrandt Gp	46.10	45.50	45.85	45.25
Richemont	62	61.25	61.50	61.50
Rust Platinum	76	75	76	75
SA Breweries	139	137.25	137.50	137
Samancor	56	55.25	55.25	55.50
Sasol	52.25	51.50	52	51.25
SBIC	187.50	187	187	187
Tiger Oats	77.50	76.25	77	75.75

Kuala Lumpur
Composite: 1250.33 Previous: 1237.48

	High	Low	Close	Prev.
AMMB Hdgs	23.80	23.30	23.30	23.20
Genting	16.90	16.60	16.70	16.80
Mal Banking	29	28.25	29	28.50
Mal Intl Ship F	6.25	6.20	6.25	6.20
Petronas Gas	9.20	9.10	9.15	9.10
Proton	16.10	15.60	15.90	15.60
Public Bk	5.45	5.30	5.35	5.25
Renong	4.52	4.46	4.50	4.50
Resorts World	11.60	11.30	11.40	11.30
Rothmans PM	25.75	24.80	25.50	25.50
Sime Darby	9.30	9.20	9.25	9.30
Telekom Mal	19.40	19.20	19.40	19.20
Tenaga	12.20	11.60	12.20	11.90
Utd Engineers	22.70	21.80	22.60	21.80
YTL	14.10	13.80	13.90	14

London
FT-SE 100: 4444.30 Previous: 4437.40

	High	Low	Close	Prev.
Abbey Natl	8.11	7.78	7.88	7.77
Allied Domecq	4.59	4.43	4.46	4.58
Anglian Water	6.65	6.56	6.62	6.53
Argos	6.78	6.63	6.69	6.70
Asda Group	1.15	1.10	1.10	1.11
Assoc Br Foods	5.03	4.91	5.02	4.93
BAA	5.42	5.30	5.34	5.36
Barclays	11.43	11.10	11.28	11.11
Bass	8.60	8.46	8.57	8.45
BAT Ind	6.22	5.35	5.58	5.53
Bank Scotland	3.58	3.49	3.57	3.51
Blue Circle	4.15	4.07	4.08	4.12
BOC Group	10.39	10.10	10.16	10.30
Boots	6.88	6.77	6.80	6.82
BPB Ind	3.50	3.45	3.45	3.47
Brit Aerosp	13.72	13.52	13.71	13.53
Brit Airways	6.68	6.60	6.63	6.60
BG	1.69	1.64	1.65	1.70
Brit Land	5.60	5.49	5.56	5.48
Brit Petm	7.27	7.10	7.11	7.16
BSkyB	6.35	6.19	6.33	6.17
Brit Steel	1.63	1.59	1.61	1.60
Brit Telecom	4.41	4.35	4.37	4.38
BTR	2.91	2.80	2.84	2.84
Burmah Castrol	10.55	10.26	10.52	10.32
Burton Gp	1.56	1.54	1.55	1.54
Cable Wireless	5.27	5.05	5.07	5.11
Cadbury Schw	5.43	5.34	5.41	5.38
Carlton Comm	5.45	5.32	5.38	5.32
Comml Union	7.28	7.03	7.05	7.05
Compass Gp	7.19	7.05	7.16	7.07
Courtaulds	3.64	3.60	3.62	3.63
Dixons	5.28	5.18	5.24	5.27
Electrocomponents	4.32	4.26	4.27	4.30
EMI Group	12.30	11.93	12.25	11.93
Energy Group	5.33	5.25	5.31	5.27
Enterprise Oil	6.41	6.21	6.22	6.38
Fam Colonial	1.65	1.63	1.64	1.64
Genl Accident	8.59	8.50	8.55	8.55
GEC	3.86	3.80	3.82	3.83
GKN	11.66	10.22	10.38	10.23
Glaxo Wellcome	11.74	11.13	11.54	11.16
Granada Gp	9.82	9.46	9.79	9.63
Grand Met	4.99	4.83	4.85	4.83
GRE	2.86	2.81	2.83	2.82
Greenalls Gp	5.57	5.45	5.48	5.47
Guinness	4.86	4.73	4.75	4.86
GUS	6.55	6.47	6.50	6.48
Hays	5.44	5.29	5.44	5.28
HSBC Hldgs	15.59	15.48	15.56	15.47
ICI	7.72	7.38	7.52	7.37
Impl Tobacco	4.28	4.19	4.26	4.18
Kingfisher	6.92	6.78	6.90	6.75
Ladbroke	2.42	2.37	2.39	2.39
Land Sec	7.97	7.90	7.93	7.90
Lasmo	2.48	2.35	2.36	2.46
Legal Genl Grp	4.13	4.03	4.07	4.09
Lloyds TSB Gp	5.79	5	5.19	5.19
LucasVarity	2.10	2.06	2.07	2.08
Marks Spencer	5	4.85	4.86	4.92
MEPC	4.85	4.74	4.80	4.85
Mercury Asset	14.29	14	14.04	14.23
National Grid	2.18	2.13	2.17	2.13
Natl Power	5.10	5	5.02	5.05
NatWest	7.71	7.43	7.46	7.45
Next	6.39	6.29	6.34	6.28
Orange	2.22	2.14	2.19	2.14
P&O	6.70	6.55	6.60	6.68
Pearson	7.98	7.87	7.91	7.87
Pilkington	1.52	1.46	1.47	1.48
PowerGen	6.24	6.17	6.19	6.20
Premier Farnell	5.10	4.90	5.07	4.97
Prudential	5.93	5.79	5.92	5.82
Railtrack PP	4.95	4.84	4.86	4.90
Rank Group	4.54	4.40	4.48	4.40
Reckitt Colm	8.05	7.95	7.98	8.02
Redland	3.83	3.70	3.73	3.75
Reed Intl	12.07	11.67	11.74	11.85
Rentokil Initial	4.63	4.47	4.58	4.50
Reuters Hdgs	6.52	6.35	6.38	6.44
Rexam	3.42	3.36	3.38	3.37
RMC Group	10.27	10.17	10.19	10.16
Rolls Royce	2.57	2.54	2.55	2.53
Royal Bk Scot	5.92	5.83	5.85	5.87
RTZ reg	9.82	9.48	9.81	9.60
Royal & Sun All	4.95	4.83	4.94	4.86
Safeway	3.68	3.63	3.64	3.66
Sainsbury	3.60	3.09	3.10	3.13
Schroders	17.55	17.30	17.38	17.35
Scot Newcastle	6.83	6.73	6.82	6.73
Scot Power	3.65	3.61	3.64	3.62
Securicor	3.18	3.10	3.14	3.26
Severn Trent	7.65	7.45	7.50	7.46
Shell Transp R	11.81	10.80	10.81	10.95
Siebe	10.10	9.96	10.02	9.95
Smith Nephew	1.83	1.80	1.80	1.83
SmithKline	9.62	9.39	9.47	9.39
Smiths Ind	8.12	8.02	8.10	8
Sthern Elec	7.95	7.80	7.92	7.92
Stagecoach	7.59	7.39	7.45	7.58
Stand Charter	9.01	8.71	8.73	8.91
Tate & Lyle	4.47	4.40	4.45	4.48
Tesco	3.49	3.14	3.47	3.46
Thames Water	7	6.39	6.94	6.91
3i Group	5.26	5.22	5.24	5.21
TI Group	5.67	5.55	5.64	5.54
Tomkins	2.93	2.85	2.91	2.84
Unilever	16.03	15.56	15.91	15.73
Utd Assurance	5.40	5.31	5.35	5.37
Utd News	7.52	7.39	7.50	7.38
Utd Utilities	6.91	6.72	6.77	6.71
Vendome Lx uts	5.34	5.28	5.30	5.32
Vodafone	2.98	2.91	2.92	2.95
Whitbread	8.12	8.05	8.09	8.07
Williams Hdgs	3.37	3.32	3.36	3.31
Wolseley	5.15	4.94	5.12	4.93
WPP Group	2.65	2.60	2.63	2.61
Zeneca	19.38	18.55	18.61	19

Madrid
Bolsa index: 488.05 Previous: 489.60

	High	Low	Close	Prev.
Acerinox	20990	20220	20220	20800
ACESA	1765	1675	1685	1745
Aguas Barcelon	5590	5440	5440	5500
Argentaria	6690	6410	6460	6540
BBV	8970	8720	8770	8830
Banesto	1165	1125	1125	1140
Bankinter	20100	19620	19650	19650
Bco Centro Hisp	3970	3875	3890	3940
Bco Exterior	2775	2765	2765	2765
Bco Popular	27200	26910	26920	26960
Bco Santander	10030	9850	9860	9930
CEPSA	4350	4300	4300	4340
Continente	2630	2550	2630	2565
Corp Mapfre	7900	7660	7680	7760
Endesa	9620	9410	9410	9410
FECSA	1360	1305	1310	1335
Gas Natural	34050	33150	33430	33300
Iberdrola	1700	1660	1660	1655
Pryca	2750	2690	2710	2685
Repsol	6040	5780	5820	5950
Sevillana Elec	1380	1315	1315	1350
Tabacalera	7240	7170	7220	7170
Telefonica	3535	3515	3535	3490
Union Fenosa	1240	1200	1210	1215
Valenc Cement	1600	1560	1600	1585

Manila
PSE index: 3280.99 Previous: 3289.34

	High	Low	Close	Prev.
Ayala B	30	30	30	30
Ayala Land	31	30	30.50	30.50
Bk Philip Isl	184	182	183	181
C&P Homes	13.50	13	13.25	13.25
Manila Elec A	121	119	120	120
Metro Bank	685	680	685	685
Petron	11	10.75	11	10.75
PCIBank	382.50	377.50	380	382.50
Phil Long Dist	1615	1605	1610	1610
San Miguel B	90	88	88.50	89.50
SM Prime Hdg	7.80	7.60	7.60	7.90

Mexico
Bolsa index: 3802.70 Previous: 3844.88

	High	Low	Close	Prev.
Alfa A	44.00	43.30	43.30	43.75
Banacci B	18.90	18.54	18.60	18.90
Cemex CPO	29.55	29.00	29.00	29.20
Cifra C	11.96	11.00	11.62	12.40
Emp Modema	41.65	41.00	41.00	41.65
Gpo Carso A1	45.00	44.00	44.70	44.90
Gpo F Bcomer	1.89	1.86	1.88	1.86
Gpo Fin Inbursa	28.10	27.50	27.90	27.50
Kimb Clark Mex	166.00	164.00	164.00	165.50
Televisa CPO	105.00	103.30	103.30	104.50
TelMex L	16.16	16.04	16.04	16.10

Milan
MIB Telematico: 12080.00 Previous: 12126.00

	High	Low	Close	Prev.
Alleanza Assic	12745	12455	12515	12575
Bca Comm Ital	3490	3415	3430	3435
Bca Fideuram	4620	4455	4490	4630
Bca di Roma	1280	1230	1231	1260
Benetton	20900	20100	20400	20600
Credito Italiano	2345	2250	2315	2265
Edison	9650	9500	9500	9550
ENI	8795	8600	8640	8540
Fiat	5580	5470	5545	5450
Generali Assic	30750	30400	30400	30500
IMI	15300	14940	14995	15280
INA	2275	2240	2270	2275
Italgas	6025	5905	5905	5995
Mediaset	7250	7100	7110	7050
Mediobanca	11500	11210	11410	11310
Montedison	1257	1243	1243	1247
Olivetti	634	626	630	627
Parmalat	2305	2270	2300	2280
Pirelli	3730	3610	3610	3670
RAS	15420	15120	15120	15170
Rolo Banca	14790	14210	14550	14295
S Paolo Torino	11990	11750	11860	11925
Stet	8045	7760	7770	7965
Telecom Italia	4475	4260	4260	4425
TIM	4490	4375	4375	4465

Montreal
Industrials index: 2991.43 Previous: 3006.59

	High	Low	Close	Prev.
Bce Mob Com	43.35	43	43¼	43.35
Cdn Tire A	25.55	25.10	25.55	25
Cdn Util A	32.70	32.60	32.60	32.65
CT Finl Svc	32½	32¼	32½	32
Gaz Metro	17½	17.35	17½	17.40
Gt-West Lifeco	21.90	21.60	21.90	21.85
Imasco	38.40	38.10	38.15	38
Investors Grp	25.80	25.80	25.80	25.70
Loblaw Cos	17	16.80	17	16.65
Natl Bk Canada	16.90	16¾	16.35	16.80
Power Corp	29¾	29½	29.70	29.70
Power Finl	27¼	27.10	27.20	27.45
Quebecor B	25.30	25.20	25.30	25¼
Rogers Comm B	9¼	9¼	9¼	9.20
Royal Bk Cda	62.90	60¼	61½	62

Oslo
OBX index: 612.95 Previous: 609.75

	High	Low	Close	Prev.
Aker A	191	179	188	179
Bergesen Dy A	148.50	145.50	146.50	147.50
Christiania Bk	25.30	24.90	24.90	25
Den norske Bk	30.70	30.50	30.60	30.50
Elkem	122	119	119.50	118
Hafslund A	47.50	46.50	47	46
Kvaerner Asa	377	371	371	370
Norsk Hydro	351	345	349	345.50
Norske Skog A	224	220	222.50	218.50
Nycomed A	112.50	110	110.50	110
Orkla Asa A	550	545	546.50	547
Petm GeoSvc	310	306	306	306
Saga Petm A	116.50	115.50	116	115.50
Schibsted	137.50	136	136.50	137
Transocean Off	401.50	401.50	401.50	399
Storebrand Asa	48.80	46.80	47.50	48.50

Paris
CAC-40: 2686.15 Previous: 2709.21

	High	Low	Close	Prev.
Accor	856	838	840	846
AGF	217.80	213.50	214	215.20
Air Liquide	944	931	935	924
Alcatel Alsth	651	636	640	645
Axa-UAP	379.20	376	376.20	376.40
Bancaire	793	775	775	789
BIC	913	904	909	910
BNP	266.50	257	257.80	264
Canal Plus	1135	1113	1125	1100
Carrefour	3517	3435	3445	3427
Casino	276.80	270.20	270.50	274.50
CCF	289.80	278	279.80	287.50
Cetelem	750	732	744	736
Christian Dior	853	825	825	846
CLF-Dexia Fran	624	595	614	596
Credit Agricole	1271	1271	1271	1300
Danone	936	905	905	929
Elf-Aquitaine	589	575	578	582
Eridania BS	970	940	944	964
Eurodisney	10.50	10.40	10.50	10.40
Eurotunnel	7.05	6.95	7	7.10
Gen. Eaux	813	782	783	806
Havas	458	438	444	453
Imetal	863	850	852	843
Lafarge	379.80	365.10	367.50	379.40
Legrand	1093	1048	1048	1074
L'Oreal	2074	2008	2023	2025
LVMH	1397	1348	1351	1380
Lyon. Eaux	611	596	598	605
Michelin B	365.90	347	353	361.40
Paribas A	404	399.50	400.20	400.50
Pernod Ricard	329.40	323.10	323.10	327.90
Peugeot Cit	647	625	629	636
Pinault-Print	2392	2336	2338	2359
Promodes	1965	1913	1917	1960
Renault	140	133	133	138.90
Rexel	1799	1785	1787	1804
Rh-Poulenc A	202.90	200.80	201	200.80
Sanofi	566	549	551	556
Schneider	316	308	309	314.50
SEB	1001	988	998	992
SGS Thomson	437	420.50	432.10	418.20
Ste Generale	711	698	698	706
Sodexho	2989	2976	2989	2958
St Gobain	915	893	900	905
Suez	298.40	295	296.80	294
Synthelabo	603	587	596	594
Thomson CSF	199.90	194.10	194.10	197.30
Total B	498	486.50	487.10	485
Usinor	89.85	89	89.05	90
Valeo	384.70	380	383.90	382.90

São Paulo
Bovespa index: 9448.93 Previous: 9419.18

	High	Low	Close	Prev.
Bradesco Pfd	9.00	8.70	8.70	8.95
Brahma Pfd	721.00	715.10	720.00	720.00
Cemig Pfd	49.50	47.20	49.00	48.20
CESP Pfd	60.60	60.20	60.30	60.00
Copel	15.40	15.130	15.30	15.20
Eletrobras	487.00	481.00	484.00	486.00
Itaubanco Pfd	575.00	570.00	573.00	572.00
Light Servicios	457.90	453.99	457.90	460.00
Lightpar	341.20	329.00	335.00	326.99
Petrobras Pfd	220.00	216.00	217.50	220.00
Paulista Luz	148.00	146.50	147.00	148.00
Sid Nacional	37.10	36.40	36.80	36.70
Souza Cruz	9.60	9.35	9.40	9.70
Telebras Pfd	114.10	111.50	113.60	112.30
Telemig	167.00	164.50	167.00	165.00
Telerj	158.00	155.50	158.00	155.00
Telesp Pfd	300.00	298.00	299.50	302.00
Unibanco	41.99	41.00	41.99	42.00
Usiminas Pfd	1.23	1.19	1.22	1.21
CVRD Pfd	27.00	26.45	26.55	26.95

Seoul
Composite index: 655.95 Previous: 667.35

	High	Low	Close	Prev.
Dacom	107000	103000	103000	107000
Daewoo Heavy	4050	3960	4000	4010
Hyundai Eng.	19100	18600	18600	19400
Kia Motors	15500	15000	15500	15300
Korea El Pwr	25500	25100	25200	25500
Korea Exch Bk	5860	5500	5500	5600
Korea Mob Tel	469000	455000	467500	470000
LG Semicon	25800	24700	25000	26000
Pohang Iron St	41100	39500	40200	41200
Samsung Display	41700	39500	39600	41600
Samsung Elec	52600	51800	52000	52600
Shinhan Bank	10300	10000	10000	10300

Singapore
Straits Times: 2194.75 Previous: 2172.48

	High	Low	Close	Prev.
Asia Pac Brew	7.65	7.40	7.45	7.65
Cerebos Pac	10.50	10.30	10.50	10.40
City Devts	14.20	13.80	13.80	14
Cycle Carriage	15	14.40	15	14.40
Dairy Farm Intl *	0.78	0.77	0.77	0.77
DBS foreign	18.80	18.60	18.60	18.60
DBS Land	5.70	5.60	5.60	5.60
Keppel Fels	5.75	5.05	5.15	5.75
Fraser & Neave	13.30	13	13.30	12.80
HK Land *	2.88	2.86	2.87	2.88
Jard Matheson *	6.10	5.95	6.10	5.90
Jard Strategic *	3.30	3.24	3.28	3.26
Keppel	10.30	10	10.10	10.30
Keppel Bank	4.12	4.04	4.08	4.10
OCBC foreign	19	18.70	18.80	18.80
OS Union Bk F	11.20	10.80	10.90	11
Parkway Hdgs	6.30	6.15	6.15	6.10
Sembawang	7.70	7.55	7.55	7.55
Sing Air foreign	12.50	12.30	12.30	12.30
Sing Land	8.20	7.95	8	8.10
Sing Press F	28.80	28.10	28.70	28
Sing Tech Ind	3.94	3.88	3.92	3.80
Sing Telecomm	3.28	3.20	3.28	3.20
Keppel Land	4.82	4.78	4.80	4.78
Tat Lee Bank	3.48	3.46	3.48	3.46
Utd Industrial	1.22	1.20	1.22	1.20
Utd O'Sea Bk F	16.30	15.90	15.90	16
Wing Tai Hdgs	4.60	4.48	4.58	4.48

*: in U.S. dollars.

Stockholm
SX 16 index: 2991.29 Previous: 3005.67

	High	Low	Close	Prev.
AGA B	114.50	112.50	113	111
ABB A	885	877	882	879
AssiDoman	208	205	207.50	206
Astra A	379.50	373.50	373.50	376
Atlas Copco A	189.50	187	187.50	187.50
Autoliv	350	338	339	346
Electrolux B	505	496	503	503
Ericsson B	276	269.50	270.50	272.50
Hennes B	1065	1052	1054	1060
Incentive A	550	540	540	548
Investor B	371	357	358	364.50
MoDo B	248	239.50	240	243.50
Nordbanken	273	268	272	269
Pharm/Upjohn	307	301	301.50	300.50
Sandvik B	197.50	191	192	196.50
Scania B	194	190.50	191	193
SCA B	177.50	172	173	178
S-E Banken A	81	78.50	78.50	80
Skandia Fors	252	247	252	248
Skanska B	357	348.50	349.50	353
SKF B	194	191	191.50	194
Sparbanken A	152	146	148.50	150
Stadshypotek A	190.50	190	190.50	190
Stora A	108	105.50	107.50	108
Sv Handles A	221	216.50	219.50	216
Volvo B	194.50	191.50	192.50	192.50

Sydney
All Ordinaries: 2468.30 Previous: 2461.90

	High	Low	Close	Prev.
Amcor	8.59	8.45	8.48	8.40
ANZ Bkng	7.89	7.80	7.82	7.80
BHP	17.34	17.16	17.32	17.15
Boral	3.92	3.80	3.85	3.88
Brambles Ind.	22.31	22.01	22.30	21.99
CBA	13.28	13.13	13.20	13.24
CC Amatil	11.60	11.33	11.44	11.48
Coles Myer	6.05	5.93	6.04	6
Comalco	7	6.84	7	6.85
CRA	19.28	19.18	19.28	19.14
CSR	5	4.78	4.81	4.95
Fosters Brew	2.74	2.66	2.67	2.69
Goodman Fld	1.73	1.70	1.72	1.69
ICI Australia	12.60	12.41	12.55	12.35
Lend Lease	23.48	23.25	23.40	23.40
MIM Hdgs	1.78	1.77	1.79	1.77
Nat Aust Bank	16.25	16.05	16.06	16.18
Nat Mutual Hdg	1.99	1.95	1.99	1.95
News Corp	6.89	6.80	6.84	6.70
Pacific Dunlop	3.44	3.40	3.45	3.39
Pioneer Intl	4.21	4.11	4.14	4.20
Pub Broadcast	6.52	6.50	6.50	6.52
St George Bank	7.56	7.47	7.53	7.53
WMC	8.35	8.27	8.32	8.26
Westpac Bking	7.22	7.11	7.21	7.14
Woodside Pet	9.29	9.16	9.20	9.22
Woolworths	3.74	3.69	3.70	3.71

Taipei
Stock Market index: 8246.64 Previous: 8174.18

	High	Low	Close	Prev.
Cathay Life Ins	180	179	179	179
Chang Hwa Bk	186	184	184	185
Chiao Tung Bk	91	90	90.50	91
China Develpmt	112.50	111.50	112	111.50
China Steel	27.40	26.80	27.30	26.50
First Bank	187	186	186	186
Formosa Plastic	76	75	75.50	75
Hua Nan Bk	145.50	144	144	145
Intl Comm Bk	84	83	83	83
Nan Ya Plastics	68	67	67.50	67
Shin Kong Life	112	110.50	110.50	110.50
Taiwan Semi	65	64	64	64
Tatung	58.50	57	57.50	57
Utd Micro Elec	47	46.20	46.50	46
Utd World Chin	70.50	70	70.50	70.50

Tokyo
Nikkei 225: 18267.78 Previous: 18113.98

	High	Low	Close	Prev.
Ajinomoto	1030	934	940	1010
All Nippon Air	805	791	797	791
Amway	3470	3390	3400	3400
Asahi Bank	834	810	834	807
Asahi Chem	619	604	613	619
Asahi Glass	1110	1090	1110	1080
Bk Tokyo Mitsu	1950	1900	1940	1900
Bk Yokohama	540	522	535	531
Bridgestone	2200	2170	2190	2190
Canon	2570	2540	2570	2530
Chubu Elec	2160	2130	2140	2130
Chugoku Elec	2170	2140	2160	2150
Dai Nipp Print	1970	1940	1960	1940
Daiei	777	761	777	770
Dai-Ichi Kang	1380	1330	1370	1320
Daiwa Bank	478	467	470	465
Daiwa House	1400	1350	1380	1360
Daiwa Sec	965	942	942	962
DDI	7410a	7350a	7400a	7330a
Denso	2400	2260	2360	2210
East Japan Ry	5340a	5280a	5330a	5280a
Eisai	2210	2160	2180	2210
Fanuc	3700	3620	3640	3610
Fuji Bank	1440	1370	1440	1370
Fuji Photo	4060	4020	4050	4030
Fujitsu	1190	1170	1180	1160
Hachijuni Bk	1040	1010	1010	1040
Hitachi	1070	1030	1050	1060
Honda Motor	3790	3740	3760	3810
IBJ	1370	1340	1370	1360
IHI	431	420	431	427
Itochu	570	565	570	566
Ito-Yokado	5520	5440	5490	5440
JAL	484	475	480	480
Japan Tobacco	7860a	7760a	7760a	7900a
Jusco	3320	3250	3310	3230
Kajima	636	625	629	640
Kansai Elec	2190	2160	2170	2150
Kao	1320	1300	1310	1310
Kawasaki Hvy	485	475	479	479
Kawa Steel	340	334	340	334
Kinki Nipp Ry	738	723	730	723
Kirin Brewery	1000	991	1000	997
Kobe Steel	218	214	216	219
Komatsu	854	826	836	833
Kubota	540	526	539	531
Kyocera	7060	7020	7050	7040
Kyushu Elec	2180	2160	2180	2140
LTCB	418	409	418	418
Marubeni	453	437	450	437
Marui	1690	1640	1670	1680
Matsu Comm	2940	2890	2890	2890
Matsu Elec Ind	1810	1790	1810	1800
Matsu Elec Wk	1140	1100	1130	1100
Mitsubishi	1100	1080	1100	1080
Mitsubishi Ch	329	319	329	322
Mitsubishi El	690	667	669	665
Mitsubishi Est	1440	1400	1410	1420
Mitsubishi Hvy	821	805	805	820
Mitsubishi Mat	855	849	849	850
Mitsubishi Tr	1330	1290	1320	1300
Mitsui	863	857	861	859
Mitsui Fudosn	1310	1270	1290	1290
Mitsui Trust	764	744	750	754
Murata Mfg	4240	4200	4220	4210
NEC	1420	1390	1410	1410
Nikon	1770	1740	1760	1730
Nikko Sec	726	705	720	724
Nintendo	9000	8850	8850	8890
Nipp Express	786	772	778	772
Nippon Oil	506	496	506	495
Nippon Steel	331	327	328	331
Nissan Motor	712	702	711	710
NKK	262	258	261	256
Nomura Sec	1470	1360	1410	1470
NTT	8440a	8350a	8380a	8340a
NTT Data	3210b	3160b	3180b	3150b
Oji Paper	621	608	608	621
Osaka Gas	290	282	284	286
Ricoh	1400	1360	1390	1390
Rohm	8740	8740	8740	8740
Sakura Bk	764	737	764	735
Sankyo	3390	3340	3380	3320
Sanwa Bank	1360	1310	1360	1310
Sanyo Elec	468	461	463	463
Secom	6750	6630	6650	6780
Seibu Rwy	5330	5230	5330	5220
Sekisui Chem	1260	1240	1260	1250
Sekisui House	1130	1110	1130	1120
Seven-Eleven	7150	7130	7140	7140
Sharp	1520	1490	1510	1500
Shikoku El Pwr	2100	2080	2090	2090
Shimizu	696	682	685	698
Shin-etsu Ch	2290	2250	2260	2280
Shiseido	1470	1450	1460	1450
Shizuoka Bk	1010	995	1010	1000
Softbank	10900	10200	10900	10600
Sony	8820	8740	8790	8810
Sumitomo	865	845	862	845
Sumitomo Bk	1580	1510	1570	1500
Sumit Chem	464	457	464	460
Sumitomo Elec	1670	1650	1660	1660
Sumit Metal	283	279	282	284
Sumit Trust	1100	1040	1070	1030
Taisho Pharm	2840	2780	2820	2770
Takeda Chem	2520	2470	2500	2480
TDK	8260	8160	8180	8140
Tohoku El Pwr	2090	2050	2090	2040
Tokai Bank	914	890	913	893
Tokio Marine	1240	1200	1210	1180
Tokyo El Pwr	2200	2180	2190	2190
Tokyo Electron	4370	4300	4340	4300
Tokyo Gas	300	290	291	299
Tokyu Corp.	579	557	578	554
Tonen	1250	1220	1250	1230
Toppan Print	1360	1350	1360	1360
Toray Ind	674	665	668	674
Toshiba	669	659	666	664
Tostem	2630	2600	2620	2630
Toyo Trust	850	835	846	845
Toyota Motor	3110	3070	3110	3090
Yamanouchi	2480	2440	2480	2450

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6316.71 Previous: 6332.87

	High	Low	Close	Prev.
Abitibi Price	22.55	22.35	22.45	22½
Alberta Energy	30	29.40	29¾	29.90
Alcan Alum	52¼	51¼	51.80	52.10
Anderson Expl	16.60	16.35	16.35	16.40
Bk Montreal	55.80	54	54.95	55.40
Bk Nova Scotia	57.40	55	56	57.10
Barrick Gold	36.90	36¼	36.85	36.20
BCE	69.45	68.85	69.15	69.10
BC Telecomm	31¾	31½	31.60	31.65
Biochem Pharm	78.05	77	77	77.55
Bombardier B	26.95	26½	26.65	26¾
Brascan A	32¾	32½	32.70	32¼
Bre-x Minerals	18.55	17.85	18	18
Cameco	56.65	56¼	56.40	56.20
CIBC	71.30	69	69.65	70.90
Cdn Natl Rail	52.70	52.15	52.15	52.35
Cdn Nat Res	35	34.60	35	35
Cdn Occid Pet	23.15	22¾	23.05	22.70
Cdn Pacific	36.10	35.70	35½	36.05
Cominco	40¼	40.10	40.15	40.10
Dofasco	24.45	24¼	24.35	24.40
Domtar	12	11.95	11.95	12.05
Donohue A	26.30	26.15	26½	26¼
Du Pont Cda A	34¾	34¼	34¼	34½
Edper Group	24.05	23.95	24	24
EuroNev Mng	43	42½	43	42
Fairfax Finl	305	303	304	300
Falconbridge	32.85	32.40	32.80	32.85
Fletcher Chall A	22.30	22	22	22.40
Franco Nevada	65	64¼	64.65	64.60
Gulf Cda Res	11	10.90	10.90	10.95
Imperial Oil	62¼	62.15	62.35	62¼
Inco	51.45	50.55	51.15	51.30
IPL Energy	40	39.85	39.95	40
Laidlaw B	20.70	20.35	20.40	20¼
Loewen Group	45	44.15	44½	44.85
Macmill Bldl	18.70	18.35	18.40	18.60
Magna Intl A	72.45	71.80	71.90	72.45
Methanex	13.70	13.55	13.70	13.70
Moore	30¼	29.95	30.10	30.10
Newbridge Net	44.20	43.60	44.10	43.55
Noranda Inc	33.15	32¾	32.90	33.05
Norcen Energy	30½	30.20	30½	30¼
Nthern Telecom	98½	97¼	97.70	98.35
Nova	12.70	12.55	12.55	12.70
Onex	25.10	24¾	25	25¼
Pancdn Petlm	57	56.10	56.10	57
Petro Cda	20½	20.05	20.20	20
Placer Dome	28.45	28.10	28.35	28
Poco Petlm	13.35	13.05	13¼	13.05
Potash Sask	108	106	106	107½
Renaissance	41.35	40.65	41.10	40.60
Rio Algom	37	36¼	36¾	36.35
Rogers Cantel B	27.60	26.60	27.40	26.60
Seagram Co	54½	53.85	53.90	54.40
Shell Cda A	58½	57.45	58.05	57.60
Stone Consold	22.40	22½	22¼	22.30
Suncor	63.10	62	62.60	61½
Talisman Eny	44.30	43.65	43.95	44¼
Teck B	33¾	33.35	33.65	33.45
Teleglobe	40	39¾	39¾	39¾
Telus	21.15	21.05	21.05	21.10
Thomson	30.45	30.20	30.20	30.45
TorDom Bank	41	39.40	39.70	40.45
Transalta	17.10	16.90	16.90	17.10
TransCda Ppe	26.85	26.55	26.65	26¾
Trimark Finl	43.90	42.90	43¾	43¼
Trizec Hahn	33.15	32.90	33.05	33.10
TVX Gold	11.40	11.10	11.40	11¼
Westcoast Eny	25.85	25.40	25.60	25.45
Weston	74½	73½	74½	73½

Vienna
ATX index: 1256.43 Previous: 1245.96

	High	Low	Close	Prev.
Boehler-Uddeh	865	845	861	839.95
Creditanst Pfd	473.95	467	473.95	467.35
EA-Generali	3420	3360	3416	3360
EVN	1757	1742.50	1752	1750
Flughafen Wien	613.55	595	604	594.10
OMV	1424.65	1409.50	1415	1414
Oest Elektriz	861	855	855	859
VA Stahl	491	470.50	482.65	470.50
VA Tech	1915	1885.75	1885.75	1883
Wienerberg Bau	2285	2243	2271	2244

Wellington
NZSE-40 index: 2274.26 Previous: 2280.07

	High	Low	Close	Prev.
Air N Zeald B	3.96	3.95	3.95	3.96
Brierly Invt	1.37	1.36	1.36	1.37
Carter Holt ord	3.30	3.28	3.29	3.28
Fletch Ch Bldg	4.18	4.15	4.15	4.15
Fletch Ch Eny	3.88	3.85	3.85	3.85
Fletch Ch Forst	2.01	1.98	1.98	2.00
Fletch Ch Paper	3.05	3.01	3.01	3.09
Lion Nathan	3.64	3.60	3.60	3.60
Telecom NZ	6.60	6.53	6.53	6.52
Wilson Horton	11.10	11.10	11.10	11.10

Zurich
SPI index: 2960.32 Previous: 2959.03

	High	Low	Close	Prev.
ABB B	1773	1750	1754	1757
Adecco B	471	461.50	463	460
Alusuisse R	1249	1225	1238	1223
Ares-Serono B	1680	1660	1670	1660
Atel R	860	860	860	860
Baer Hdg B	1770	1740	1760	1740
Baloise Hdg R	3000	2970	2995	3000
BK Vision	880	868	875	866
Clariant R	744	730	738	735
Crd Suisse Gp R	170.75	167.50	170	166
Elektrowatt B	531	529	531	531
Ems-Chemie	5975	5900	5940	5900
ESEC Hdg	4750	4625	4650	4730
Holderbank B	1138	1120	1127	1122
Liechtenst LB B	483	480	483	476
Nestle R	1670	1651	1662	1650
Novartis R	1824	1775	1775	1800
Oerlikn Buehr R	147.50	144	147	148.50
Pargesa Hld B	1700	1660	1700	1660
PharmVisn B	755	747	753	750
Richemont A	2070	2035	2040	1981
Pirelli PC	208	205	208	208
Roche Hdg PC	12850	12600	12630	12695
SBC R	310.50	300.50	303	307
Schindler PC	1750	1672	1732	1610
SGS B	3550	3490	3540	3505
SMH B	895	878	880	885
Sulzer R	969	960	963	949
Swiss Reins R	1559	1535	1537	1542
Swissair R	1327	1312	1316	1323
UBS B	1364	1352	1355	1348
Winterthur R	973	960	965	957
Zurich Assur R	463	455.50	457	458

NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

STYLE, SOUNDS, DINING, ARTS.

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http://www.iht.com

Continued on Page 18

Property Rescue Plan Bolsters Thai Stocks

Compiled by Our Staff From Dispatches

BANGKOK — Foreign investors returned to Thailand's battered bourse Tuesday as the government approved a decision to launch a multibillion-dollar salvage operation for the real-estate market.

A spokesman said the government would raise as much as 100 billion baht ($3.85 billion) from an issue of seven-year, zero-coupon bonds. That, he said, will allow it to set up an entity called Property Loan Management Co., which will make guaranteed loans to help finance companies write off bad property loans and help developers complete their projects.

The Stock Exchange of Thailand index rose 16.63 points, to close at 719.95. The index has gained 6.4 percent over the past three sessions, erasing most of its loss from last week's sell-off. But stocks are still down about 16 percent so far this year and 45 percent over the past 12 months.

"I think 100 billion baht is enough money to help," Supon Pronchokchai, managing director of the Agency for Real Estate Affairs, said. "But I don't know if it can solve the problems faced by buyers and developers."

He said a support plan for poor projects could prolong problems in the property sector and said a far broader solution would be needed.

While the mood of panic over the health of the finance sector has dissipated, many investors still have doubts because of Thailand's slipping growth rate and faltering exports.

The cabinet also approved a proposal Tuesday to trim the current budget by 106 billion baht as part of an effort to trim the country's current-account deficit. *(Reuters, Bloomberg)*

Extortion Resurfaces in Japan

Compiled by Our Staff From Dispatches

TOKYO — A leading maker of food and seasonings, Ajinomoto Co., said Tuesday that two of its executives had been arrested on suspicion of paying several million yen in company funds to *sokaiya* racketeers.

Shunsuke Inamori, the company's president, said the two senior executives belonged to the firm's general affairs department. He said that neither he nor other top managers had been involved in payoffs.

The announcement closely followed last week's revelations of suspected illegal dealings and possible payoffs to a one-time racketeer by Japan's biggest brokerage concern, Nomura Securities Co.

Mr. Inamori said Yukio Noguchi, 60, who was head of its general affairs department, and Takao Ishigami, 48, a section chief in the department, were suspected of paying the money to six sokaiya racketeers to ensure that a shareholders' meeting held in June 1996 would go smoothly.

"*We take the case very seriously,*" *Mr. Inamori said.* "We apologize for upsetting the public. Everything is not yet clear, so we need an in-house investigation."

Sokaiya, often linked to *yakuza* crime syndicates, typically try to extort money from companies by threatening to expose dubious business practices or to make a disturbance at shareholders' meetings.

"Sokaiya are in a way a reflection of the underdevelopment of Japan's capitalist economy," a Japanese executive said.

"It's an old practice, and legal changes were supposed to halt it, but it's tough for companies to give up the old ways."

Japanese law has prohibited these payoffs since 1982, but it is widely believed that dealings with sokaiya groups are still common at Japanese companies. There have been 26 such investigations since 1982.

Ajinomoto also was one of several companies accused in the United States of fixing the price of lysine, a feed additive. Prosecutors there said in November 1996 that the company had pleaded guilty and agreed to pay a fine of $10 million.

Asked whether the arrests in the sokaiya case would have an adverse effect on the company's sales, Mr. Inamori said, "I think so, but I'm not sure."

Reports of the investigation weighed on Ajinomoto's stock price, which ended at 940 yen ($7.71), down 70. *(Bloomberg, AFP, Reuters)*

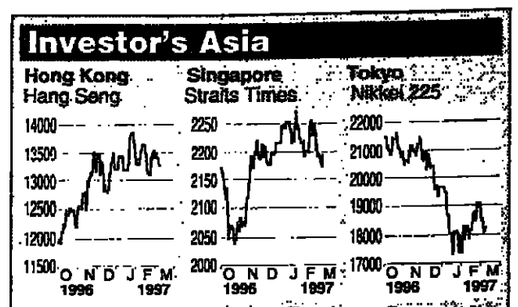
■ Scandal Is Expected to Hurt Nomura's Profit

The scandal over suspected illegal deals and possible payoffs to a former racketeer is expected to hit Nomura Securities' profit, but analysts said the brokerage company was unlikely to lose its top ranking in Japan's securities industry, news agencies reported.

"They're pretty well top across the board, and I find it hard to imagine that they could slip to No. 2 across a large number of product lines for an extended period of time," Walter Altherr, an analyst at Jardine Fleming Securities, said.

A loss of customers could cost Nomura 50 billion yen in revenue from trading commissions and underwriting new securities, David Threadgold of BZW Securities (Japan) Ltd. said. *(Bloomberg, Reuters)*

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,252.28	13,268.76	-0.12
Singapore	Straits Times	2,194.75	2,172.48	+1.03
Sydney	All Ordinaries	2,468.30	2,461.90	+0.26
Tokyo	Nikkei 225	18,267.72	18,113.89	+0.85
Kuala Lumpur	Composite	1,250.83	1,237.48	+1.04
Bangkok	SET	719.95	703.32	+2.36
Seoul	Composite Index	655.95	667.36	-1.71
Taipei	Stock Market Index	8,246.64	8,174.18	+0.89
Manila	PSE	3,280.99	3,289.34	-0.25
Jakarta	Composite Index	697.93	689.05	+1.29
Wellington	NZSE-40	2,274.26	2,280.07	-0.25
Bombay	Sensitive Index	3,725.87	3,766.74	-1.14

Source: Telekurs International Herald Tribune

Very briefly:

• **South Korean** stocks appeared little affected by the passage of an amended labor law that delays two years provisions allowing for layoffs. The Composite Index fell 1.4 points, to 667.35.

• **Acer Computer International Pte.**, a unit of **Acer Inc.** of Taiwan, posted 1996 net profit of 51.6 million Singapore dollars ($36 million), up 63 percent, on strong computer sales and a sale of shares in its Latin American unit.

• **Keppel Corp.**'s 1996 profit fell 5 percent, to 204.1 million Singapore dollars, amid intense competition in the ship-repair sector. Sales rose 17 percent, to 2.8 billion dollars.

• **Chinese** legislators called for an inland special economic zone and suggested Xi'an as its location, an official newspaper said.

• **Cambodia** has a fourth mobile-phone service, **CamGSM.** There are fewer than 25,000 customers in the country.

• **SmarTone Telecommunications Holdings Ltd.** plans to spend 1 billion Hong Kong dollars ($129.2 million) to increase capacity enough to accommodate 400,000 more subscribers by July.

• **China Light & Power Co.** plans to buy **Loy Yang Power Co.** of Australia, a spokesman for the Hong Kong electricity supplier said.

• **The Philippines** plans to issue its first 20-year Treasury bonds in an offering in April valued at 2 billion pesos ($76 million). *Bloomberg, AP, Reuters*

Lippo Group Wins Plaudits for Its New Course

Bloomberg News

JAKARTA — Lippo Group Ltd., which was thought by some to be on the brink of collapse in 1995, appears to be back in favor with investors.

Amid a series of recent acquisitions such as the food distributor Auric Pacific in Singapore, plans for rights issues at its property division and a bid for control of the Indonesian hotel operator PT Hotel Prapatan, investors have bid up eight of Lippo's nine publicly traded companies in the past three weeks. *Its deputy chairman, James Riady, also is winning praise for aiming the company at Indonesia's growing consumer sector.*

"James is running the show now, and he's playing a high-risk, high-return game," said Tjandra Kartika, an analyst for Kleinwort Benson Securities (Asia) Ltd. But despite the risks involved, "nobody's been disappointed so far," he said.

Lippo Group, a conglomerate owned by the Riady family, has extensive interests in China and has figured prominently in U.S. investigations of political contributions to the Democratic Party and President Bill Clinton's re-election campaign.

In November 1995, shares in Lippo companies dropped on fears that an aggressive expansion strategy was about to get the group into trouble. The concern arose after one of its companies, PT Lippo Land, reported a surge in its total debt to 1 trillion rupiah ($418 million), which was taken as a sign that Lippo had picked the wrong time to invest in the Jakarta area. But since then, Lippo Land has sold shares in a unit that is developing one *of its projects, trimming its net investment in property.*

"Lippo is taking steps to reduce its exposure to property, which is the right thing," Mr. Tjandra said. He cited the purchase in January of PT Matahari Putra Prima, Indonesia's largest department-store chain, by Lippo's PT Multipolar as proof of the company's desire to concentrate on this area. Auric is also a retail, owning convenience-store franchises and pharmacies in Singapore.

Seoul's Big Firms Reach Anti-Takeover Pact

Compiled by Our Staff From Dispatches

SEOUL — The country's largest conglomerates agreed Tuesday to cooperate against hostile takeover bids, whether from domestic or foreign prospective buyers.

The Federation of Korean Industries, South Korea's leading business organization, acted after three conglomerates last week undermined the first such bid in South Korea.

"Members shared the view that hostile bids aimed at snatching control of management without mutual agreement should be prevented," Sohn Byung Doo, deputy chairman of the federation, said.

Mr. Sohn said companies feared that hostile bids by foreign concerns would become more common under a new law abolishing the 10 percent limit on corporate stakes held by anyone other than a company's principal shareholder. The federation also urged Seoul to scrap limits in the new law on cross-investment within conglomerates, arguing that the rules would leave companies at a disadvantage in fighting foreign takeover attempts. *(AFP, Bloomberg)*

Japan to See 3-D TV This Summer

Reuters

TOKYO — Sanyo Electric Co. and Nippon Television Network Corp. said Tuesday they had developed a system for broadcasting three-dimensional images and would start test transmissions this summer.

The system uses progressive-scan technology developed by Nippon, a nationwide broadcaster. Viewers will need to have decoders in their television sets as well as special glasses to see the 3-D images.

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AVIS AUX ACTIONNAIRES

Messieurs les actionnaires sont convoqués par le présent avis à **L'ASSEMBLÉE GÉNÉRALE ORDINAIRE DES ACTIONNAIRES** qui se tiendra au siège social à Luxembourg le **1er avril 1997 à 15 h 00** avec l'ordre du jour suivant :

ORDRE DU JOUR

1. Compte Rendu d'Activité du Conseil d'Administration pour l'exercice se terminant le 31 décembre 1996;
2. Rapport du Réviseur d'Entreprises pour l'exercice se terminant le 31 décembre 1996;
3. Adoption des comptes de l'exercice se terminant le 31 décembre 1996;
4. Affectation du résultat de l'exercice se terminant le 31 décembre 1996;
5. Décharge aux Administrateurs et au Réviseur d'Entreprises pour l'exercice se terminant le 31 décembre 1996;
6. Nomination des organes sociaux:
   - Nomination des Administrateurs;
   - Nomination du Réviseur d'Entreprises;
7. Divers.

Les actionnaires sont informés qu'aucun quorum n'est requis pour cette assemblée et que les décisions sont prises à la majorité simple des actions présentes ou représentées.

Chaque action a un droit de vote.

Tout actionnaire peut voter par mandataire. A cette fin, des procurations sont disponibles au siège social et seront envoyées aux actionnaires sur demande.

Afin d'être valables, les procurations dûment signées par les actionnaires devront être envoyées au siège social afin d'être reçues le jour précédant l'assemblée à 17 heures au plus tard.

Les propriétaires d'actions au porteur, désirant participer à cette assemblée, devront déposer leurs actions cinq jours ouvrables avant l'assemblée au siège social de la société.

Les actionnaires desireux d'obtenir le Rapport Annuel Audité au 31 décembre 1996 peuvent s'adresser au siège social de la société.

Pour la société,
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World population trends and prospects 1990–2005[1]

Region/year	1990	1995	2000	2005
Europe[2]	722	727	731	730
Africa	633	728	832	945
North America	278	293	306	319
Latin America[3]	440	482	525	564
Asia	3,186	3,458	3,737	4,003
Australia and Oceania	26	28	31	33
Total	5,285	5,716	6,162	6,594
Industrial countries	1,143	1,166	1,185	1,200
Developing countries	1,142	1,550	1,977	5,394

1 Population in million 2 Including Russia 3 Including Caribbean
Source: United Nations, Dept. of Economic and Social Information: World population prospects. New York, 1995

Degussa on Nutrition

Knowledge that sustains more than just hope.

Year after year, parallel to the growth in world's population, the demand for food increases and with it the need for valuable proteins.

For over sixty years, Degussa's scientists have been investigating the promising potential of amino acids, the building blocks of protein.

In the process, among other things, they developed Methionine. This is an essential amino acid which is becoming increasingly indispensable in animal nutrition because it makes a major contribution to the conservation of the world's natural food resources and optimizes the use of raw materials within our food chain.

As one of the world's leading producers of amino acids, the name Degussa stands for securing one of the key foundations of life. A task with a future, in other words, for a company with a tradition.

For Degussa, it all began with gold and silver. Today, we shine in many more fields.

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NASDAQ

Tuesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

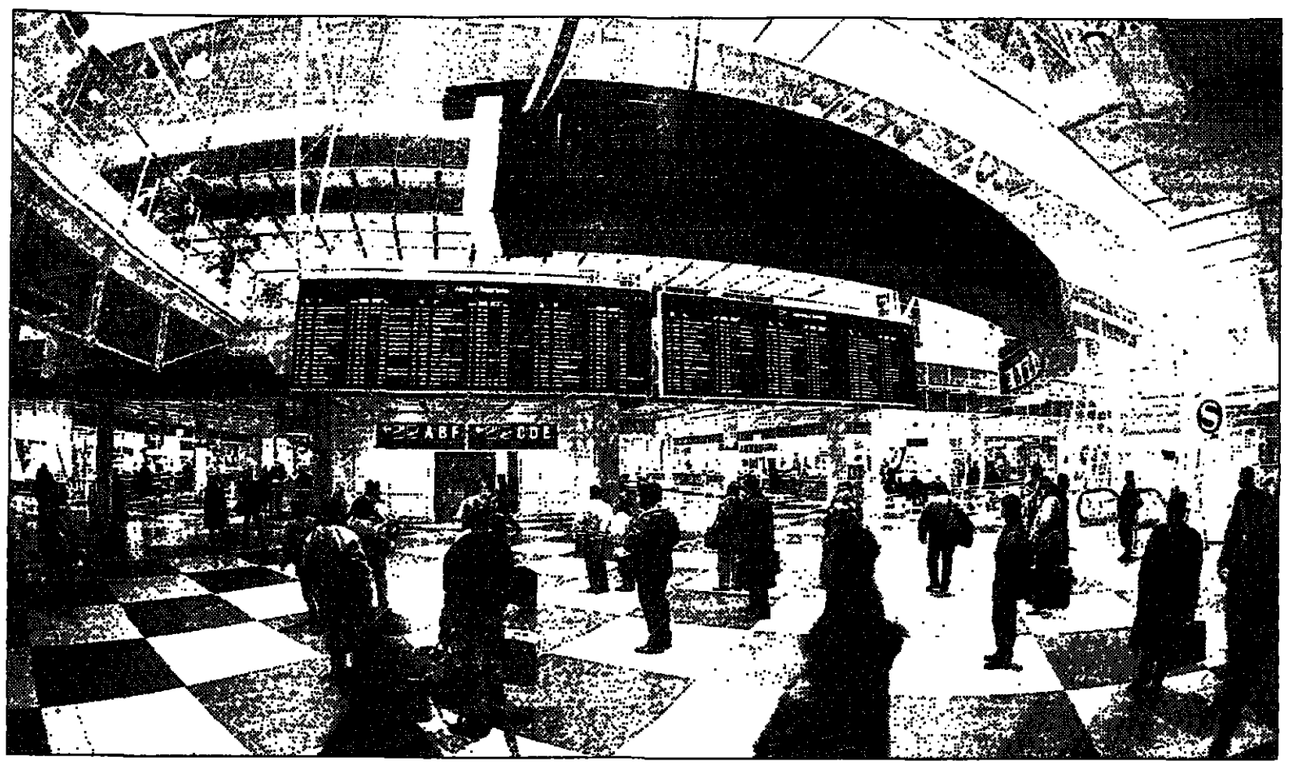
NYSE

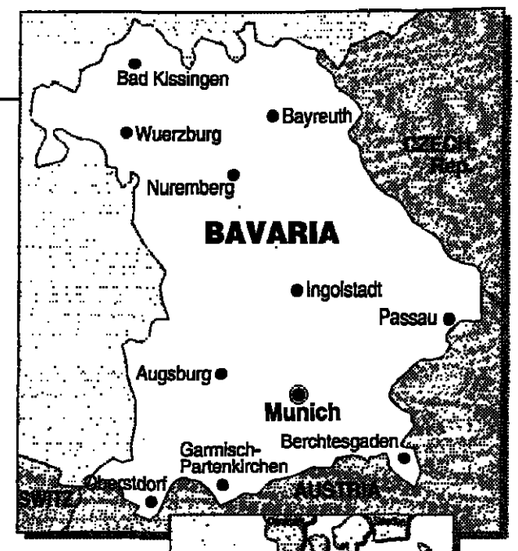
Tuesday's 4 P.M. Close

(Continued)

BAVARIA

Munich Airport is the second-largest hub in Germany, and it continues to expand its facilities. The state's high-tech industries, academic centers and tourist attractions are increasing travel to and from the region.





'Sunrise Sectors' Breed Success

The state enjoys high productivity, high-tech industries, low unemployment and low crime.

Can Bavaria's success in creating a high-flying economy centered on high-profile sectors be emulated by other areas that do not share Bavaria's geopolitical luck?

The question is of more than casual interest for many regions in Europe that are striving to work major economic transformations of their own.

"Every region experiences strokes of great fortune at one time or the other," says Otto Wiesheu, Bavaria's minister for economic affairs, transport and technology. "But luck comes and goes. And the successful regions are those, like Bavaria, which have been able to parlay short-term fortune into sustained, long-term growth."

Two strokes of luck

Bavaria's luck came in two successive strokes, one that triggered the state's takeoff, the other that ignited its "second stage."

In the postwar era, Bavaria – part of the American zone – was geopolitically safe. This induced corporations from Berlin and the nascent East Germany to relocate in the state. Led by Siemens, these new corporate arrivals found a vast supply of highly qualified potential employees awaiting them. In addition to the native Bavarians, their ranks included millions of refugees from East Germany and from other parts of Central and Eastern Europe.

Then, in the mid-1960s, the great engines of Germany's Wirtschaftswunder – steel-making, coal-mining, consumer goods and textiles – began to give way to new industries. Bavaria had been an industrial backwater for all of its previous history, with the great and notable exceptions of metropolitan Nuremberg, Augsburg, Schweinfurt and – to a lesser extent – Munich.

Not seriously locked into any of the sunset industries, Bavaria's business community rushed into the sunrise sectors: telecommunications and office machines, electrical and automotive engineering and specialized capital goods.

Make-or-break retoolings

This community was comprised of literally thousands of young companies, most founded by postwar refugees, and the state's remaining manufacturers, virtually all of which had survived only by undergoing make-or-break retoolings.

In the late 1950s, BMW, a prewar producer of airplane engines, sports cars and Germany's version of the Model T, seemed to be facing two hard choices – bankruptcy or forced sale. While a cult object with Germany's teenagers, its motorcycle-engine-powered ultracompacts were not generating adequate revenues.

Enter Herbert Quandt. This outside investor had an ambitious and ultimately successful plan – to take BMW from the lowest end of the country's automobile market to the very top.

After fortune, fortitude

Once catapulted to the forefront of this wave of industrial change, Bavaria and its companies worked hard to stay there and to overcome the setbacks caused by "oil shocks," worldwide recession and globalization.

The state's success in doing so is amply detailed in a series of "high-low" set of figures. They reveal how Bavaria has succeeded – by continuing to invest heavily in its future while keeping its books balanced.

According to the statistics, Bavaria has long maintained Germany's highest rates of corporate and public-sector investment and its lowest rates of corporate and public-sector indebtedness. Bavaria allocates 3.6 percent of its gross domestic product to research and development. That's not only the highest figure – by a wide margin – in Germany, but is also one of the highest in the world. The figure also shows the positive impact pro-growth policies have had on the state's residents and business community.

Command performance

Bavaria vies with Baden-Württemberg for the country's lowest rate of unemployment. Over the last 25 years, Hesse has beaten out Bavaria for Germany's best rate of long-term growth. Hamburg has remained Germany's richest state in terms of per capita income. During this period, however, Bavaria has recorded the strongest rises in corporate net worth as well as in personal income.

The state's economic performance has had direct, substantial societal ramifications. Bavaria has Germany's lowest rates of crimes against people and property. Munich is Germany's

Continued on page 21

MAC Facts

Construction begins: June 1996
Completion: Spring 1999
Architect: Helmut Jahn
Size: 31,000 square meters (333,680 square feet), of which 21,000 square meters will be allocated to office space and the balance to a conference center, restaurants, retail outlets, banks and more.

Business-Oriented Airport

A new center at the Munich Airport will be an ideal venue for conferences.

Although it is only five years old, the Munich Airport has already pioneered a number of technical innovations. Most have been introduced to protect the safety of passengers and the ambient environment, or both.

The icing up of airplane wings, for example, is one of the great dangers of wintertime flying. Munich Airport has one of the world's most advanced de-icing systems. The 135 million Deutsche mark ($80.58 million) system is comprised of special computerized roll-through facilities, each some 70 meters (230 feet) high and 25 meters wide. The fluids issuing from the facilities, which are located at the edge of the runways, flow into collection reservoirs for recycling.

A current project at the airport will redefine how travelers use airports. The München Airport Center (MAC) will also provide the world's congress and convention sector with a new kind of venue.

Near the main terminal

This major commercial innovation will be introduced within the next two years. Starting in 1999, a large number of the airport's millions of passengers each year will fly into Munich airport and stay, at least for a while. These passengers will be attending conferences and meetings at the center, which has been under construction since June 1996.

"The practice of holding the occasional meeting in an airport is, of course, not new," points out Willi Hermsen, CEO of Flughafen München GmbH (FMG), the company that owns and operates the airport. "Virtually every major airport has

Continued on page 20

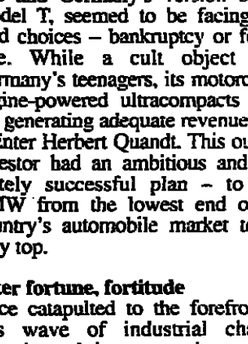
Minister Foresees Diverse Economy Based on High-Tech Development

Otto Wiesheu, who holds a doctorate in jurisprudence, has been Bavaria's minister for economic affairs, transport and technology since 1993. He was born in 1944 and began his political career in 1969. Since 1974, he has been a member of Bavaria's state parliament. From 1984 to 1990, Mr. Wiesheu headed the Hanns Seidel foundation. In 1990, he was named state secretary of the Bavarian ministry for education, the sciences and cultural affairs.

Has Bavaria's influx of high-tech companies from North America and Asia achieved a self-perpetuating momentum, or are further measures required to keep it going?

As the influx is serving to further strengthen the factors that induced this process, I'm optimistic that it will set itself forth, and even gather strength in the future. Let me give you one example of what I mean.

Many foreign companies come to Bavaria to profit from the unparalleled depth and breadth of technologies here. These technologies have been developed by our large number of research institutes and technology-driven companies. Each American, Asian or European company that comes here brings advanced technologies of its own with it, thus increasing this diversity of expertise and know-how.



Minister Otto Wiesheu

Our past successes, however, should not be construed to mean that we're resting on our laurels. Quite the opposite. The state government has taken 5 billion Deutsche marks [$2.98 billion], the proceeds of its privatization program, and invested it in high-tech projects. This returning of companies to the private sector exemplifies the thrust behind all of our pro-free market, pro-growth policies.

I'd also like to mention another factor unleashing this influx: the highly competent business location services provided by our ministry. Many of the world's largest companies have availed themselves of them, as have many of its newest and fastest-growing ones.

Each successful start-up company creates a number of jobs, with estimates ranging from five to 12. Over the last few years, Bavaria has successively set one state record for start-ups after another. Unemployment is high throughout Europe, including, to a lesser extent than most areas, Bavaria. When will the start-ups start producing enough jobs to make a dent in the unemployment problem?

They already have. Five-sixths of our new companies are in the service sector. It's no coincidence that the number of people employed in providing services in Bavaria has been growing at a 2 percent annual rate. This increase in jobs has counteracted the effects of the layoffs made by industrial companies.

You mentioned our record number of new companies. I'd like to add four other figures, which together show how the new companies are alleviating unemployment – and creating the basis for tomorrow's economy in Bavaria.

Our state has 14 percent of Germany's population. Over the last few years, 30 percent of Germany's net company foundings (the balance of start-ups and close-downs) have been in Bavaria, number one in Germany's states in this field. And, as a consequence, Bavaria has registered the lowest rate of unemployment among Germany's states over the last three years.

While prospering on the whole, your state does have its share of problem areas (with unemployment and a falling industrial base), including greater Nuremberg and Schweinfurt. The state government has launched a wide range of programs aimed at turning around such areas. Which of these programs has proven to have a demonstrable impact?

I would take strong exception to categorizing either of

Continued on page 21

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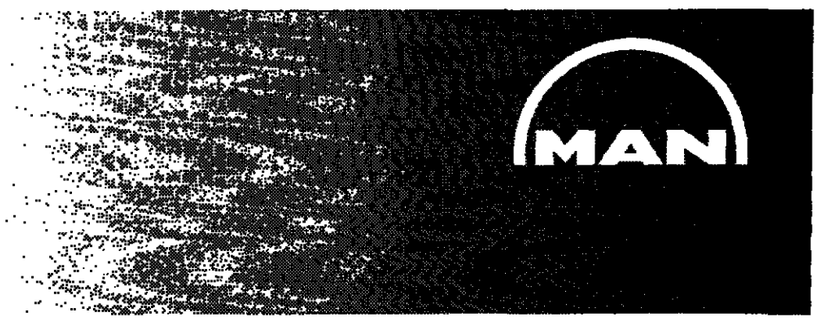
Writer: Terry Swartzberg, based in Munich.
Program Director: Bill Mahder.

The MAN Group



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BAVARIA

AIRPORT FACILITY MEETS ITS TARGETS

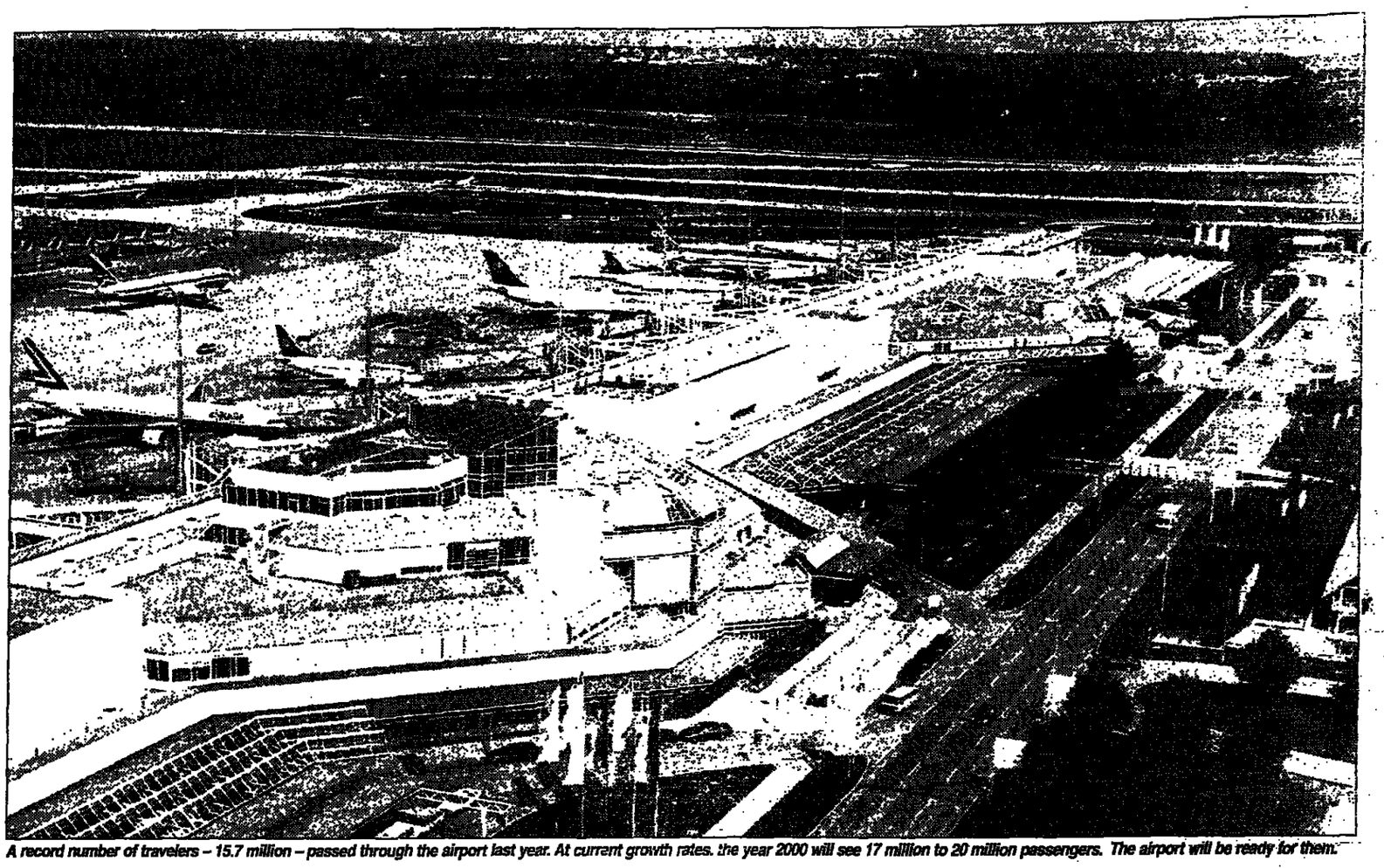
Munich Airport's new terminal is meeting all its growth forecasts.

Designing a new airport is a tricky, high-stakes business. The airport has to be large enough to accommodate decades of air travel growth, yet projections of exactly how large that growth will be are notoriously inaccurate. Since each underutilized terminal facility represents an enormous financial loss, simply building big is not the answer.

By taking a multi-stage approach, Munich's airport company built in enough flexibility to adapt to trends in air travel. Made more than a decade and a half ago, the projections of the first terminal's use are still right on the money. As foreseen in the airport's master plan, the company has been proceeding with the planning and constructing of a second terminal.

In 1996, Munich Airport celebrated two record Fridays. On March 29, precisely 70,112 passengers passed through the airport. And on November 22, a total of 857 airplanes landed at and took off from the facility, forwarding 412 tons of air freight in the process. These were single-day records in a record year.

Also last year, 233,000 airplanes transported 15.7 million passengers to and from the airport. These represented increases of 9 percent and 5.5 percent respectively over 1995, the largest gains recorded by any of Germany's major airports. The 1996 figures were 41 percent and 46 percent higher respectively than those of 1991, the last full year in operation of Munich's old airport, which was located in its eastern suburb of Riem.



A record number of travelers – 15.7 million – passed through the airport last year. At current growth rates, the year 2000 will see 17 million to 20 million passengers. The airport will be ready for them.

Second hub

The increases have made Munich number two among Germany's airports after Frankfurt and have kept it on course to meet the projections for its use originally drawn up in the early 1980s, when the final planning of Munich's airport was taking place. The planning forecast the building of two terminal buildings, with the first terminal handling between 17 million and 20 million passengers by the year 2000, necessitating the completion of a second terminal shortly thereafter.

At the current growth rates, Munich will process 19 million passengers in 2000 – just 500,000 more than the mean projection for the year. At the current pace of planning, Munich's second terminal, with a capacity for 15 million passengers a year, will be put into operation two years later. The accuracy of the planning would seem a remarkable feat.

"Nothing remarkable about it," says Willi Hermsen, CEO of Flughafen München GmbH (FMG), the airport company. "These projections were extrapolated from our old airport's rate of growth, and built upon the reasonable assumption that our new facility's greater number of connections – especially in the international area and especially those offering direct links – would greatly increase our airport's catchment area.

"This assumption, in turn, was predicated upon Lufthansa's commitment to turn Munich into its second major hub and base of operations in Germany," Mr. Hermsen adds.

Upgrades

This major commitment was realized despite the turbulence caused by the recession prevailing in the world's air industries in the early 1990s. Like its counterparts, Lufthansa responded to the recession by launching a major re-engineering plan.

The heart of it was Lufthansa's upgrading of its Munich-based flight plan, stemming from the carrier's predominance in Munich, and in all of the country's other airports. Although Munich has recorded a 16 percent increase over the last five years in the number of scheduled carriers serving it, Lufthansa still accounts for nearly half of all traffic in Munich.

Since 1993, the number of destinations that Lufthansa serves from Munich has increased by 36 percent, as has the number of Lufthansa flights per week to and from Munich. In line with Munich's growing role as a major Lufthansa intercontinental hub, the number of the carrier's non-German flights to and from Munich increased 58 percent in 1996 alone.

Easy transit

The accuracy of this step-by-step planning is reflected in FMG's balance books. For the last several years, its ordinary business operations have been profitable, in itself quite an accomplishment for any of the world's airports, most of which are chronic consumers of state subsidies. In 1996, powered by a further sharp rise in revenues and the effects of a one-off asset disposal, the authority reached the break-even point.

Assuming that the current trends will be maintained, FMG as a whole will break into the black this year, far ahead of schedule.

In view of the large costs of long-term capital – arising from both terminals and from the München Airport Center (see related article) – that FMG is carrying in its current accounts, that would be a major feat.

The new terminal will reflect the changing personality of Munich Airport. Rather than having its check-in operations spread the entire length of the terminal, as is the case in the current terminal, the new structure will feature a central hub, at which passengers will check in – and transfer.

"Some 20 percent of our passengers are in Munich to transfer between flights. That's three times higher than six years ago – and much less than what it will be in 2002 or 2003, when Terminal Two will be completed. The new terminal will be designed to accommodate that change," says Mr. Hermsen. ●

A HIGH-TECH 'LITTLE NORTH AMERICA'

In the Europe-based computer industry, Bavaria is where it's at. The momentum keeps building.

After reading the names of the U.S. high-tech companies located in greater Munich, you might get the mistaken impression that the best of Silicon Valley, Boston's Route 128, Seattle's northern suburbs and Austin's high-tech belt – plus the finest from Canada's bubbling high-tech scene – had moved en masse to Bavaria's "capital area."

In fact, such companies as Microsoft, Compaq, Intel, Netscape, Sun, Texas Instruments, AMD, Corel, Claris, Oracle, Apple and Packard Bell came one by one over the past 15 years. Some 200 are now established in the area.

Digital and NCR were two of the first North American companies to set up shop in Bavaria. Has this snowballing mass of high-tech arrivals achieved a self-perpetuating momentum?

"Very definitely," says Stephen P. Garside, senior executive at Digital Germany. "It would be a brave company that would risk being away from the action in Bavaria, risk not finding the personnel or service providers it requires to grow in Europe."

Says a spokesperson for Microsoft: "We located in Bavaria because Germany's major ICT companies are based in the Munich area, and because of the availability of personnel. For young people, Munich is one of the most appealing places to work and live in Europe."

Enviable position

North America's foray into Bavaria has made the state the envy of Western Europe. Typically, companies upgrade, step-by-step, their initial one- or two-person offices into large-sized production, distribution, logistics and technical services centers, responsible for Germany, and, in many cases, all of Europe.

In doing so, the new arrivals have pumped further revenues into the economy and created high-skilled jobs in the process. Microsoft Germany, founded in 1982, had sales of more than 1 billion Deutsche marks ($596.87 million) in 1996. The company now employs 653 people, nearly all of them at its headquarters in the northern Munich suburb of Unterschleissheim.

The inflow from North America and other areas has attained impressive dimensions. In 1995, Bavaria beat out all other German states when it secured 3.7 billion DM in inward investment from non-German companies, an all-time best mark for Bavaria. During the first six months, foreigners allocated a further 1.7 billion DM in long-term capital to Bavaria.

This was, once more, the number-one performance in Germany. This track record is all the more impressive because most of the investment and jobs have been created without public-sector subsidies and other support.

This is in sharp contrast to other parts of Germany and Europe, in which billions of public sector dollars have created thousands of low-skilled manufacturing jobs of often temporary duration. The realization is spreading that this high-cost job strategy does not engender a lasting transformation of the local economy, reports Handelsblatt, the German business daily, and Bavaria may provide a role model for other European areas looking to create jobs.

Says Otto Wiesheu, Bavaria's minister for economic affairs, transport and technology: "We definitely have a very good track record, one well worthy of emulation. The trick is now to sustain this growth, to use it to overcome the problem areas we also most definitely have.

"A role model is only as good as its latest figures," he adds. "We know that." ●

TRAVEL INDUSTRY JOBS ARE ON THE RISE

Munich Airport accounts for tens of thousands of jobs, and more opportunities are being created.

The results for February have just been released, and they show that the Freising area has once more recorded the lowest rate of unemployment among Germany's 186 reporting districts. Not coincidentally, Munich airport forms part of the Freising district.

The airport authority, Flughafen München Gmbh (FMG), and its resident airlines and service providers employ 16,000 people. FMG estimates that another 30,000 work in the belt of hotels, offices, industrial parks and shopping centers interspersed among the conservation areas surrounding the airport.

The employment figures are set to rise sharply. FMG estimates that each increase of one million in the number of passengers passing through the airport generates one thousand jobs. Munich Airport expects its passenger totals to double over the next 18 years.

Based on the figures from the first two months of this year, which show double-digit increases in nearly all statistical categories, this prediction may be a bit too conservative.

Commercial space

In addition to creating jobs, the ongoing increase of passengers and freight are having another desirable spillover effect on the surrounding area. After showing signs of weakness in the early 1990s, demand for commercial space in the airport area is now strong, reports Jones Lang Wootton in its January 1997 survey of Munich's real estate market. This demand is one of the factors carrying the city's real estate market as a whole.

"We're experiencing that demand within the airport itself," says Willi Hermsen, managing director of FMG. "Since 1991, there has been a tremendous influx of scheduled service and chartered carriers to Munich. More and more travel agencies are maintaining in-airport outlets. All of these service providers need office space with immediate access to counters. This demand has put in-airport office space at a premium."

"We are all looking forward to the München Airport Center [see related article] – these service providers perhaps most of all," Mr. Hermsen notes. ●

BUSINESS IS MADE EASY AT THE AIRPORT

Continued from page 19

rooms available for such purposes.

"Nor are the advantages of such in-airport meetings hard to understand. Finding your way around a strange city is often difficult and always time-consuming. That is obviated by the holding of events directly at the 'runway's end,'" he adds.

In-house providers

Why, then, aren't there similar facilities at every airport?

"First of all, only the world's hubs come into consideration, as only they provide a large number of direct links. If your participants have to repeatedly transfer to get to the event, you're losing the time gained by holding it at the airport," Mr. Hermsen points out.

"Second, as one of the youngest of the major hubs, Munich has something its 'elder colleagues' generally do not have – a tract of property right next to our main terminal building. Most major airports' central areas are comprised of a dense and interlocking thicket of structures," he concludes.

MAC will be located right next door to the airport's central service area, itself set for a 31 million DM expansion and sprucing up. Together, the two areas will form a single indoor "galleria" for strolling, relaxing and shopping.

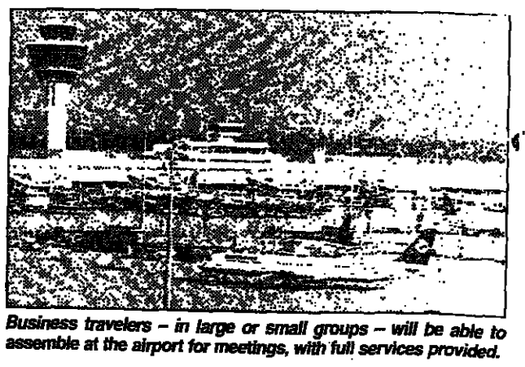
Another contrast with existing airport meeting areas is that they tend to exist in isolation. They have rooms and refreshments on-site, but many of the requisite services have to be imported by their providers from outside. That costs time.

MAC will have 31,000 square meters (333,680 square feet) of rentable space. Of that, one-third will be occupied by the conference center, restaurants, shops, banks and other services. The other two-thirds will be occupied by service providers, most of which are active in the travel or event-organizing industries.

Services, services

Since MAC's emporia are also targeted for use by in-transit passengers, constructing the facility would seem to represent a change in approach on the part of FMG, which structured the entire airport around getting passengers and their baggage to and from their airplanes in industry-best times.

"If so, it's one partially dictated by the changing nature of air travel to and from Munich, and the changing nature of Munich airport itself," says Mr. Hermsen. "We still place great emphasis on speeding passengers through our facility. Over the years, through the optimizing of our check-in procedures while maintaining our ultra-strict security checks, we've managed to speed up the procedures still further," he adds.



Business travelers – in large or small groups – will be able to assemble at the airport for meetings, with full services provided.

"In the old 'Riem' [site of the old airport] days, most of our passengers were intra-national. The international ones generally arrived or departed via a flight to Frankfurt, London or another international hub," Mr. Hermsen says. "Today, we're an international hub. Munich is the European port of entry and departure for a large and increasing number of our passengers."

He notes that passengers starting or concluding their trips have a large and diverse number of pressing needs and interests – guidebooks, clothes, souvenirs. MAC and the airport's central service area will answer those needs. "This rethinking has also been a response to the way our passengers view our airport. Many of them see 'their' airport as a highly enjoyable place, a place to spend time in, a place not to hurry through. The completion of MAC will strengthen this trend." ●

USEFUL INFORMATION AND ADDRESSES

THE STATE OF BAVARIA

Area: 70,546 square kilometers (27,238 square miles)
Population: 12 million
Prime minister (governor): Edmund Stoiber
Capital city: Munich (population: 1.27 million)
Other major cities:
Nuremberg (pop.: 496,000) - Augsburg (pop.: 262,000) - Wuerzburg (pop.: 128,000)

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BAVARIA

FROM SOFTWARE DESIGN TO DIESEL ENGINES, THE STATE HAS LEARNED TO BE A LEADER

Advanced-technology products, of the corporeal and non-corporeal varieties, are taking international industries by storm.

Is software a service or a product? According to some statisticians, it is a service, since it doesn't have a corporeal existence. This is somewhat illogical, since most software is mass-manufactured and sold, and since it has become as much a fact of production as lathes and assembly lines.

It is also somewhat unfortunate for Bavaria. If software is included, Bavaria, with one of the highest manufacturing output per capita figures of Germany's states, would take the overall lead in absolute figures.

The software created by IXOX, Spea and Bavaria's 750 other companies is often highly ingenious. Black Sun Interactive's products, which give life and dimension to the Internet, are a good example.

Today, the Web is two-dimensional. The only movement in the individual sites comes from changing colors and varying images, all basically flat. Links between the sites are accomplished by hyperlinks.

The Web will soon be composed of three-dimensional Web sites, each a virtual world "entered" by the opening of a real-looking "door" by an avatar. That's you, the end-user, in the three-dimensional form you've chosen for yourself.

These three-dimensional images were created by Black Sun, whose story is typical of many of the 180,000 companies and professional firms founded in Bavaria over the past two years.

Black Sun is a rapidly growing second-generation company founded by professionals already employed by the state's information and communication technology industry. About half of its employees work in its marketing and distribution department, located in northern California.

From this discreet site, 330 million horsepower have originated.

Multimedia chips

The new generation of multimedia chips emerging from the world's microelectronics industry enables the running of Black Sun's programs. These are indisputably products, and many of them are manufactured in Bavaria. Wacker in Burghausen, for example, makes the silicon wafers, and the final packaging is done at the sprawling plants maintained by Siemens, Texas Instruments and Hitachi.

Another state microelectronics producers worthy of note is Micronas Semiconductors GmbH. Located in the northern Munich suburb of Neufahrn, the company, a manufacturer of ASICs (application specific integrated circuits) reached the ranks of Germany's major high-tech producers (those with annual sales of 100 million Deutsche marks [around $60 million] and above) in the record time of four and a half years.

Micronas, in turn, is interested in the products developed by Atomika Instruments GmbH. This Bavarian company has come up with equipment capable of detecting even the smallest of impurities in silicon, thus avoiding the costly discarding of integrated circuits.

If microelectronics and, arguably, software, are the newest of Bavaria's industrial sectors, automotive engineering is incontestably one of the oldest. It was in Bavaria, on the short stretch connecting the neighboring communities of Nuremberg and Fürth, that Germany's first railroad began operation in 1835. Sixty-two years later, the state made perhaps its most important contribution to the industrial world: the diesel engine.

Diesel dynasty

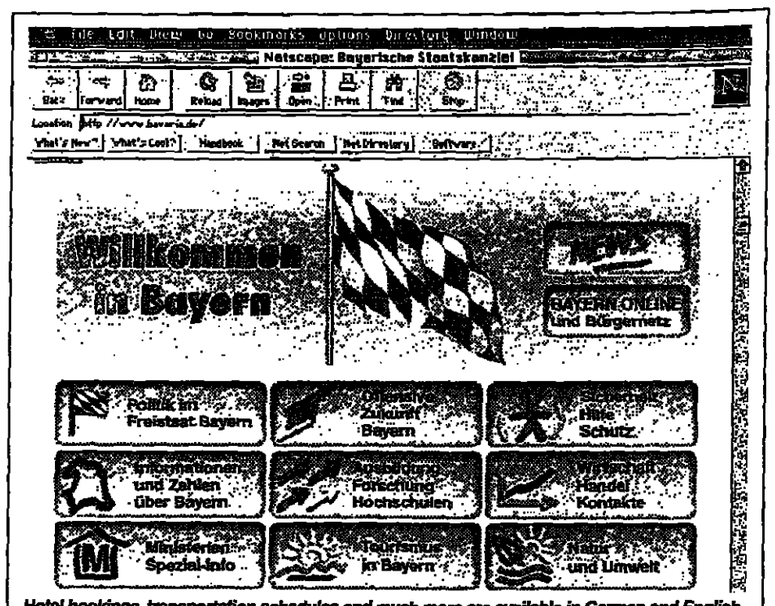
In 1897, Rudolf Diesel, an engineer educated in Munich, saw 14 years of often frustrating work come to a happy end. Developed with the technical staff of the Maschinenfabrik Augsburg – the forerunner of today's MAN – in the company's facilities in Augsburg, his engine passed its official tests certifying it for normal use.

The diesel engine is one of the oldest of Bavaria's industrial products. It has, however, the sales figures of a hot new Internet browser or software utility. Registrations of diesel-driven cars were up 21 percent in Germany last year – four times the gain registered by the industry as a whole. Sales of diesel-powered oceangoing ships and power plants have been growing rapidly, especially in North America and the Far East.

Aside from the basic operating principle, today's diesel has little in common with the bellowing behemoths of the early 20th century – or even with the high-polluting engines of the late 1980s. A wide variety of technological innovations has cut the amount of pollution emanating from the average truck-borne diesel engine by half. Fuel economy has also been increased substantially.

Many of these innovations have come out of MAN, now headquartered in Munich and still the leading developer of diesel engines.

The engines manufactured by MAN and its licensees over the years have had a collective output of 330 million horsepower. Over the past century, MAN has also evolved. The company is today active in fields ranging from space transport launchers to steel mills. ●



Hotel bookings, transportation schedules and much more are available in German and English.

TRAWLING THE WEB SITES

Businesspeople and tourists can find a wealth of information on-line.

Doing Business in Bavaria, the on-line information service maintained by the state's ministry of economic affairs, transport and technology, in conjunction with the state chancellery, can provide any fact or figure that a potential investor would ever want to know, from the location of Bavaria's technology centers to the state's total manufacturing output.

To gain access to the service, type in http://www.bavaria.de, the address of Welcome to Bavaria, the state government's informative Web site. Then click on "English," which brings you to the service.

Also on-line are Bavaria's major trade fair authorities. The Web site maintained by MMG, Munich's fair authority and one of the world's 10 largest, provides a detailed schedule of upcoming events. Its address is http://www.messe-muenchen.de. The Nuremberg trade fair authority's address is http://www.nuernberg-messe.de.

Municipal Web sites

Given that Bavarian cities are among Germany's favorite tourist attractions, it is not surprising that they maintain English-language Web sites providing hotel booking services; listings of restaurants; train, mass transit and airplane schedules; and other information required by tourists, often including useful street finder search engines.

All of the municipal Web sites have business information services and hyperlinks, with the notable exception of Munich's, and English versions.

Here are some of their addresses:

Augsburg: http://www.augsburg.de. Click on English. Enjoy the flashy graphics.

Munich: http://www.munich.de. In English. The site is maintained by the city's tourist board, so there is no business-related information.

Nuremberg: http://www.nuernberg.de. Click on Nuremberg international home page.

Wuerzburg: http://www.wuerzburg.de. Click on the Union Jack. Another visually exciting Web site.

BIOTECHNOLOGY, A LEADING EDGE

Five years ago, no one would have picked Bavaria to become Germany's most important center of biotechnological research, development and marketing. Nor would anyone have really cared to even discuss biotech in Germany at all.

In those days, almost everything interesting in biotech was happening in the United States and, to a lesser extent, Britain and France. Clustered along the Rhine and in the Mannheim-Heidelberg area, Germany's pharmaceutical giants had set up a number of research centers in their home areas. They were outnumbered, however, by those established by Bayer and others in the United States.

Today, greater Munich has the largest biotech community in Germany, according to the technical publication Labor Report. The city is home to 70 institutes and 200 companies engaged in biotech R&D.

These companies have received half of Germany's biotech-related venture capital, says the Süddeutsche Zeitung newspaper.

The products issuing from Munich's laboratories are one important reason why Germany was described as one of the world's "rapidly developing sources of advanced biotechnologies" in Ernst & Young's annual survey of Europe's biotech industry.

'SUNRISE SECTORS' BREED SUCCESS

Continued from page 19

safest large-sized city, safer than towns a fraction of its size. The number of days lost to strikes or other forms of job actions in Bavaria is second only to that of Austria in the entire world.

And the performance shows no signs of slackening. A 5.3 percent rise in exports, to 115 billion Deutsche marks ($68.64 billion), another all-time record, led the state to a 5 percent rise in industrial production – also at a record level – and a good 2 percent rate (after allowing for inflation) of economic growth.

Young products

These figures have been produced by the ongoing mutation of the state's business community. Long gone are the analog telecommunication systems and office machines of yore. Today's headlining products are in the information and communication technology sectors: Web ware, multimedia and CCC (computer-communications connectivity).

According to the Munich-based think-tank, the IFO (Institut für Wirtschaftsforschung), fully 28 percent of Bavaria's products are five years old – or younger. This is the best percentage among Germany's states – and one of the best in Europe.

The youth of the state's products is not surprising. In 1996, a record 101,000 companies were founded in Bavaria. After subtracting the companies folding or being taken over, the net gain of 31,000 brought the total number of companies in the state to 550,000 as of the end of 1996 – also an all-time record.

Meanwhile, Bavaria's major corporations have also been busy launching new products and scaling down their operation costs. The results have been the recording of strong-to-record profits, sales and output by Siemens, MAN, Audi, BMW, VIAG and the state's other large corporations.

The price of prosperity

Prosperity has not proven an unalloyed blessing for the state. Real estate costs in Munich and in the surrounding Upper Bavaria area are at countrywide highs, although low by the standards prevailing in London, Tokyo and other international business centers. Wages, too, are above German averages in greater Munich.

"Of course, as Germany's largest state in terms of area, there's plenty to Bavaria outside the greater Munich region," points out Manfred Pfeifer, head of the business location advisory service of the state's Ministry for Economic Affairs, Transport and Technology.

"Fully developed property is available at highly competitive prices in most parts of Bavaria. Highly qualified personnel are found throughout the state, as is high-access transport infrastructure. That's why such major manufacturers as BMW, Hitachi and Toshiba have set up major production facilities in Dingolfing, Landshut, Regensburg and other 'upstate' communities," he adds.

"This move upstate has greatly benefited the state's peripheral areas, which are also profiting from their proximity to the fast-growing Czech Republic, Saxony – the fastest-growing of Germany's eastern states – and Austria, our long-time neighbor and among the newest members of the European Union," Mr. Pfeifer continues.

"While having its disadvantages on the costs side, Munich's attractiveness has given it even larger advantages on the personnel side, and these constitute one reason behind the great influx from North America," he says.

It would appear that Bavaria owes its success to more than just geopolitical luck. ●

MINISTER FORESEES DIVERSE ECONOMY BASED ON HIGH-TECH DEVELOPMENT

Continued from page 19

these areas as "problem regions." The overall situation has greatly improved in Schweinfurt; its biggest employer, Kugelfischer, has been rescued from the brink of bankruptcy. The description never fit the Nuremberg metropolitan area because it always had more than an economic monoculture. Most of Europe's problem areas are that way because they are "one industry" cities, with all of the attendant problems such economic monocultures bring.

Nuremberg has always been, and remains, a vibrantly cosmopolitan metropolis with excellent transport links and services. Along with its "twin cities" of Fürth and Erlangen, Nuremberg is one of the world's leading suppliers of state-of-the-art transport and medical technologies, multimedia software and entertainment electronics.

Rather than any single program, it's been the complete range of instrumentalities formulated and implemented by the state government that should be given part of the credit for keeping these regions on the path of development.

We've strived to work as a "change agent" and have done so by supporting projects that had the promise of transmuting local expertise and scientific advances into marketable, leading-edge technologies, ones capable of furthering the industrial transformation of these regions.

The successes of these policies are perhaps best to be seen in such one-time agrarian regions as the Regensburg area. Today, this town has become one of Europe's centers of business.

Regensburg has a strong business community comprised of Siemens, BMW, Toshiba and other major, advanced corporations. The city's university is a source of highly advanced technologies and high-quality cultural offerings. And while all this has been happening – and I think this is typical of all such metamorphoses in Bavaria – Regensburg has kept its traditionally high quality of life. ●

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BAVARIA

MUNICH'S LOW-KEY STYLE BELIES HIGH-GEAR PACE

The city has eschewed skyscrapers in favor of a relaxing atmosphere for business.

Appearances can be deceiving. In Munich's case, the deception is deliberate. The statistics show that Munich has a high-powered economy. For example, more books are printed by Munich's 1,000 publishing houses than in any other place in the world except New York. And only London and Tokyo administer more insurance-related assets than Munich.

Leading the insurance business are Allianz AG, Europe's largest insurer, and its associate, Münchener Rückversicherungs-Gesellschaft, the world's leading reinsurer. Add in a dozen other major insurers and reinsurers: Bayerische Vereinsbank and the Bayerische Hypotheken- und Wechselbank, two of the country's six largest banks; and another 168 finance houses, and you have one of the largest financial communities in Europe.

Greater Munich also has Germany's largest university and more university-affiliated and independent research institutes than any other city in the country.

With six national television broadcasters, the city's 6,700 electronic media companies employ more than 100,000 people and had a total turnover of 25 billion Deutsche marks ($14.92 billion) last year.

Such a city might be expected to have a high-rise central business district, but there are no skyscrapers in downtown Munich and few buildings worthy of the name in the entire metropolitan area. There is not even an identifiable central business district.

Even the university has no campus per se, just many square blocks of four- and five-story buildings from the Baroque to the postmodern eras.

La dolce vita

Guidebooks are not very helpful when it comes to finding the city's business district. They lead visitors to the best of Munich's many boutiques and cafés and are full of descriptions of the charms of Bogenhausen, Haidhausen, the Glockenbach-Viertel, Lehel, Schwabing and Munich's other desirable neighborhoods.

After reading a guidebook, strolling through these neighborhoods and seeing people sitting in the cafés or playing in the English Garden, visitors sometimes get the impression that Munich is a city for dining, shopping and hanging out, but not for working.

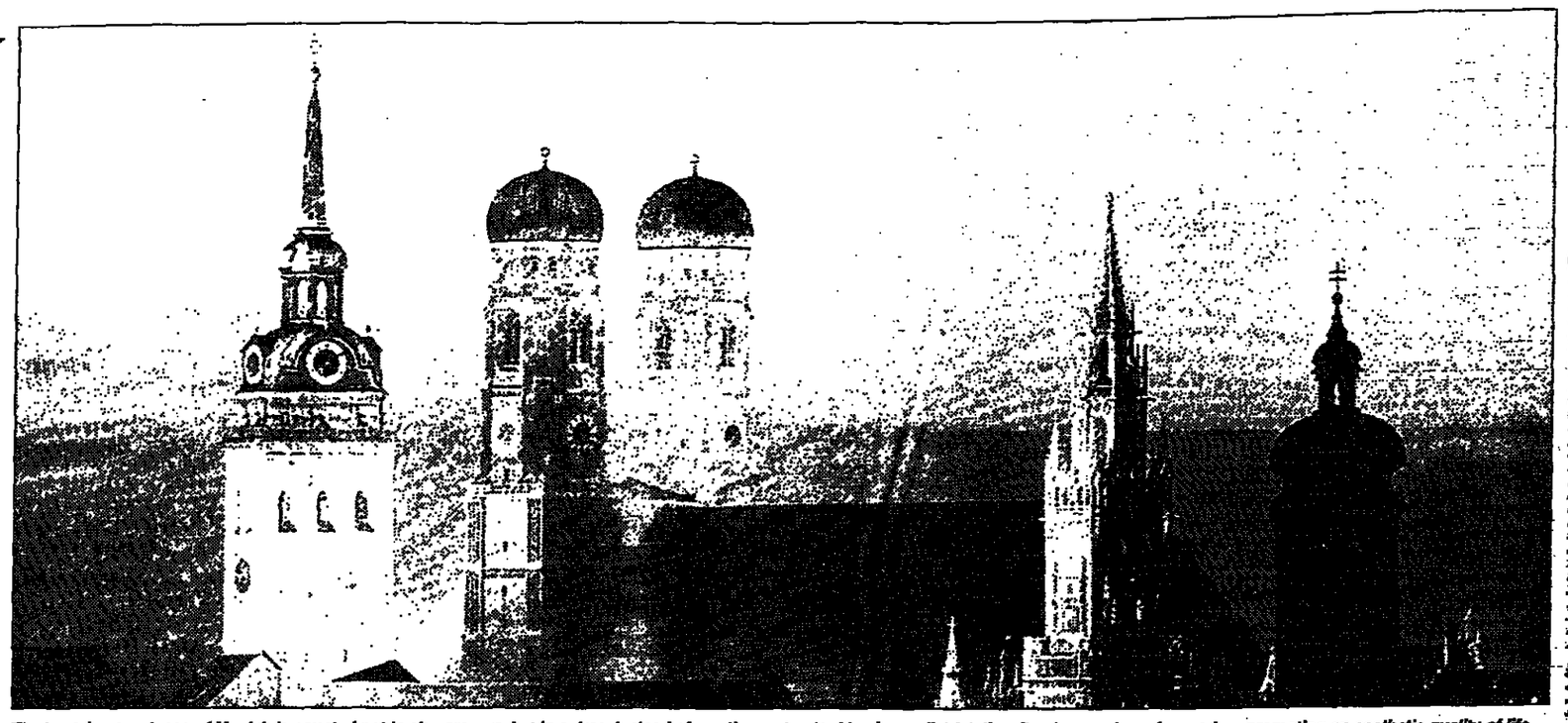
"That's the impression you're supposed to come away with," says Emilio Galli-Zugaro, head of press and public relations at Allianz AG.

"Actually, of course, Munich is a very hard-working city. Among other things, it's Germany's second-largest manufacturing center, and the largest provider of technical services.

"This low-profile approach is very well conceived. It is based on sound observation. People, especially business-people, flock to live and work in a city which is perceived as being enjoyable."

Says Christoph Schwartz, information and communication technology expert: "I think this ambiance of la dolce vita de Monaco di Baviera does constitute a great business asset, and one that explains the ever-greater number of corporate locations and relocations here.

"All the time, the businesspeople are talking about the advantages of the central location and highly skilled labor, and what they really have in their heads are dancing visions of sitting in the sun at a bistro in the Leopoldstrasse, or skiing down an Alpine slope." ●



The towering greatness of Munich is counted not in skyscrapers, but in spires. Instead of creating a standard business district, the city planners have focused on promoting an aesthetic quality of life.

COMMERCE RUBS ELBOWS WITH CULTURE

Bavaria has some of the most celebrated museums in the world.

The wish to see and be seen brought several million businesspeople to Bavaria in 1996. More than 2 million people attended Munich's trade fairs alone. This figure is set to make a major jump in 1998. The city's new 2.5 billion Deutsche mark ($1.49 billion) trade fairgrounds will be inaugurated in the spring of next year.

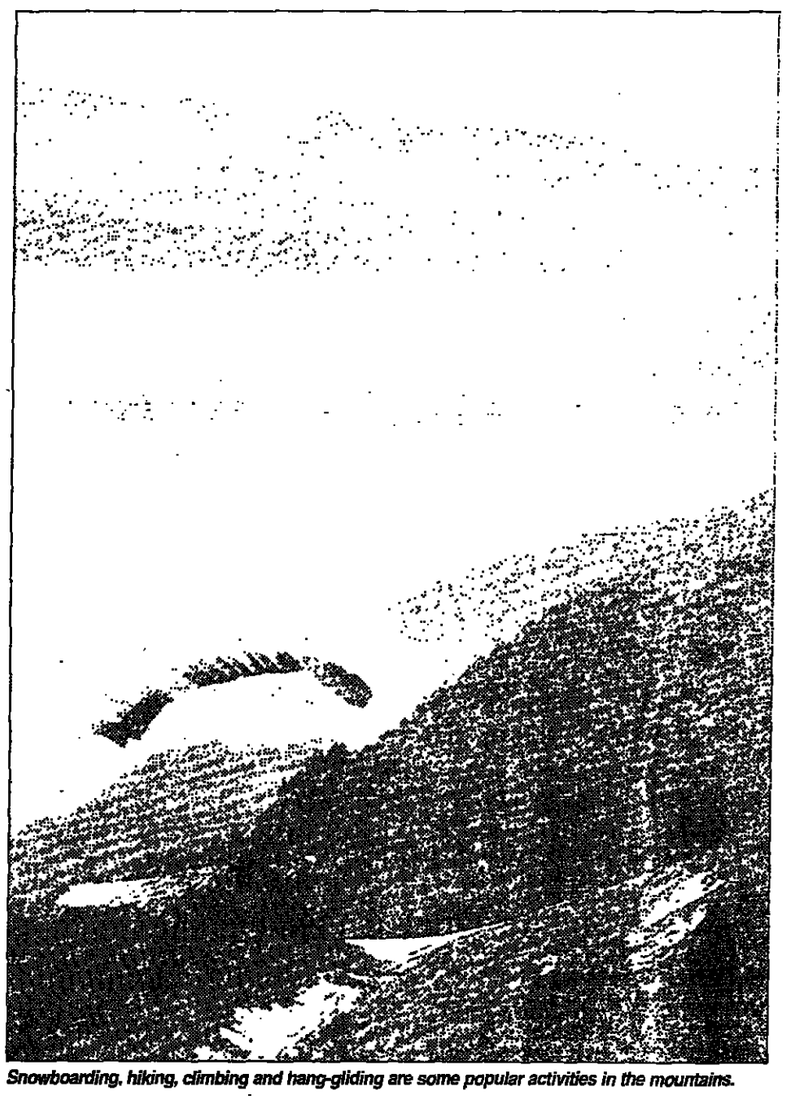
Many trade fair attendees come for business purposes and stay on for a few days of tourism, spending an average of 200 DM a day in the process. Thus businesspeople-cum-tourists constitute a very important part of the tourist market.

Important as these pastimes are, however, sports, beer and business-related tourism are not the major inducement to visit Bavaria.

Nine hundred strong

There are 900 museums in Bavaria. A number of them, including Munich's Alte Pinakothek, Neue Pinakothek and Deutsches Museum (Germany's Smithsonian), and Nuremberg's German National Museum, are among the most celebrated in the world. Some 19 million people visit the museums each year.

Small museums with exquisite collections round out the picture. A late 19th-century Italianate villa, Munich's Lenbachhaus, has an unparalleled array of paintings by the Blauer Reiter school of art, whose ranks included Vassily Kandinsky, Franz Marc, Paul Klee and Gabriele Muenther. Without major permanent collections of their own, a number of others, including Munich's Haus der Kuenste and Hypo-Halle, specialize in blockbuster exhibitions.



Snowboarding, hiking, climbing and hang-gliding are some popular activities in the mountains.

SPORTS AND FESTIVALS ARE FUELED BY A YOUNG CROWD

The well-known activities are a small part of what Bavaria has to offer.

With one-quarter of the country's arrivals and overnight stays, Bavaria is number one in Germany for tourism. The state also ranks among Europe's leading travel destinations. The reasons: beer festivals and gardens; romantic routes with romantic villages; romantically lunatic kings; towering, snow-clad peaks; and snow-bedecked Christmas markets. At least that's the popular view – which does not tell the whole story.

Traditional attractions

The 1996 Oktoberfest came very close to setting an all-time attendance record. One warm Saturday did set an all-time record for a single day, with 800,000 people jostling themselves into gridlock on the Theresienwiese fairgrounds. A brilliant if freezing-cold winter sent half of Europe (or so it seemed) to Nuremberg's Christmas market and to the Zugspitze (Germany's highest mountain), the Kranzberg and Bavaria's other ski slopes.

The lines of cars with foreign license plates making their way down the Romantische Strasse (Route of Romance) from Rothenburg ob der Tauber to Augsburg reached their usual, impressive lengths last summer, as did the queues of people waiting to marvel at the extravagance of King Ludwig's four masterpieces: Neuschwanstein, Linderhof, Herrenchiemsee and Schachenhaus.

Tollwood

The popular view ignores Bavaria's newer attractions and the changing nature of tourism in the state. One major change has been the state's demographics.

Bavaria is the center of youth-oriented tourism and is home to a late 1990s version of a youth-oriented lifestyle.

Although the state doesn't have Berlin's Love Parade – Munich's Union Move is about half the techno-parade's size – it does have Tollwood. Held in early summer in Munich's Olympic Park, it is Germany's largest youth and alternative festival. Tollwood's tents offer headline rock and ethnic music, wacky circus acts and tons of good ethnic foods and arts and crafts. In a good year – "good" meaning that the weather is cooperative – 600,000 to 700,000 people attend Tollwood.

While Tollwood attracts entertainment acts and groups from all over Europe, the vast majority of its visitors come from Bavaria. With good reason. There are lots of young people in the state.

Population explosion

An ongoing influx of youth from elsewhere in Germany and from the rest of the world has given Bavaria the fastest-growing population among Germany's states. It took 23 years, from 1965 to 1988, for the state's population to increase from 10 million to 11 million, and only eight years to grow by a further million.

The youthfulness of the population, coupled with the state's strong and rising affluence, may explain the profusion of sports activities that involve a large amount of thrills and not inconsiderable costs of equipment.

Newfangled snow sports

Take snowboarding. Half of all people making their way down Bavaria's slopes now do so on snowboards, not on "old-fashioned" skis. Virtually all of the snowboarders are under 30 years old. While their elders are hiking up the same mountains in the summer, most of Bavaria's young are "cutting to the chase."

"The only exciting part about mountains is the actual hand-over-hand climbing. The rest is work. That's why I go to climbing gardens, where there's no trudging, and there are thrills from the first moment on," says Dominic Trujillo, a 16-year-old Munich resident.

There are now hundreds of these gardens with guided climbs in Bavaria, most of them in the Alps, the Franconian hills and Bavaria's many other upland areas.

Of course, older people are also avid patrons of the climbing gardens. And the young often do hike up mountains. Many of them avoid the bane of any mountain climb – the descent, at least the descent by foot – by going airborne.

Lakeside lifestyle

On any sunny day in southern Bavaria, squadrons of paragliders and hang-gliders hover above the wave-capped waters of the state's necklace of Alpine lakes. These "fliers" are riding the thermal drafts produced by the warm southern winds being deflected upward by the lakes' cold waters and the bell of cool air on top of them.

The same winds also make the Starnberger See, Chiemsee, Tegernsee, Schliersee and Bavaria's other upland lakes favorites with sail-surfers, the younger counterparts of the sailors whizzing around the dancing waters.

To the shore

For much of Germany, at least its younger members, the action on the shoreline is what really counts. "Kids in convertibles: Bavaria's lakeside lifestyle" trumpeted a recent article in Der Spiegel.

A hit German pop song recently put it another way: "That's the life . . . days on the lakes [Bavaria's], evenings in Munich." ●

Head start: young Bavarians hone their skiing skills from an early age.

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d	Sw. Foreign Bond Selection	SF	116.10
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d	UBS (Lux) Pf I Fix In (XEU)	Ecu	125.720y
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WORLD ROUNDUP

Duncan Is Popular

BASKETBALL Tim Duncan of Wake Forest was a unanimous pick for the All-America college team, becoming the first repeat choice since Shaquille O'Neal five years ago. The other picks were Keith Van Horn of Utah, Ron Mercer of Kentucky, Raef LaFrentz of Kansas and Danny Fortson of Cincinnati. *(AP)*

NFL Attendance Falls

FOOTBALL NFL attendance dropped by a half-million last season, to 18,648,981 from the record 19,202,757 in 1995. Paul Tagliabue, the commissioner, blamed falling crowds in Houston, whose team is leaving, and Seattle, where the team tried to leave. *(AP)*

Army Finds Allies

FOOTBALL After more than a century as an independent college football team, Army will join Conference USA in 1998. *(AP)*

Role Models in All Sports

- Darryl Henley, a former Los Angeles Rams defensive back, was sentenced to 41 years in prison for cocaine trafficking and trying to hire a hitman to kill a judge.
- Lawrence Phillips, a St. Louis Rams running back, was sentenced to 30 days in jail Tuesday for violating his Nebraska probation when he was arrested for drunken driving in California last year. On Monday, Phillips pleaded not guilty to a disorderly conduct charge stemming from a party last month at an Omaha, Nebraska, hotel.
- Roscoe Tanner, a former tennis star, surrendered to authorities to face prosecution for willfully failing to pay child support.
- Bruce McNall, the former Los Angeles Kings owner, surrendered to police and began a 70-month term at the Federal Prison at Lompoc, California, for his role in a scheme to bilk banks, a securities firm and his team of more than $236 million.
- Spanish soccer authorities on Tuesday ordered Athletic Bilbao to close its ground for two games after Zaragoza goalie Otto Konrad was hit by a firework Sunday. *(Reuters)*

Wilfred Wooller, 85, Dies

Wilfred Wooller, a Welsh star at both rugby union and cricket, has died at 85. Wooller set up the winning try when Wales beat the New Zealand All Blacks in 1935. In 1949, he captained Glamorgan to the English county cricket championship. He was an England cricket selector and a journalist. *(Reuters)*

Mark J. Terrill/The Associated Press

RETURN — Francisco Clavet of Spain defeating to Jim Courier at the Newsweek Champions Cup, 6-4, 4-6, 6-4.

Paul Weber/The Associated Press

Clarence Seedorf of Real Madrid escaping Racing Santander's Merino Landaluce, left, and Francisco Sanchez Jara in a Spanish league game. Real, the league leaders, won, 2-1. Seedorf scored the winning goal.

Liverpool Beats Newcastle, 4-3, Again

Reuters

LIVERPOOL — Liverpool beat Newcastle, 4-3, in the English Premier League, with Robbie Fowler scoring the winning goal in injury time. Last year Liverpool also won, 4-3 at Anfield, after Stan Collymore scored in injury time. On Monday, Liverpool took a 3-0 halftime lead, but Newcastle tied at 3-3, scoring its last two goals in the 87th and 88th minutes. The victory put Liverpool a point behind Manchester United.

Past Glory May Not Save Eintracht

Frankfurt Lost to Real Madrid, Now It Must Beat Debt

World Soccer / **ROB HUGHES**

International Herald Tribune

IN ALL the hype surrounding modern soccer, "match of a lifetime" is a glib phrase. According to some television networks such games come along as regularly as city buses. There is always another one right behind.

When a performance really does stand apart, it separates whole generations of fans — those who saw it, those who have seen the film or the video, and those so young they refuse to believe that "old timers" could ever have compared to today's idols.

Eintracht Frankfurt versus Real Madrid in the 1960 European Cup Final stands the test of time. It brought 10 goals, seven of them to the imperious Madrid team. It thrilled 127,621 spectators in the Scottish city of Glasgow. It set standards of movement, of skill and of sportsmanship that will be erased only when fathers stop telling sons how majestic it was.

I recall it not simply to invoke nostalgia but because one of the teams, Eintracht, is struggling to remain a professional club. The Frankfurt team, one of Germany's elite just a couple of seasons ago, has slipped out of the Bundesliga, into the lower reaches of the second division, and into financial dishonor in the eyes of the tax inspectors.

History offers no protection, and perhaps it should not. Yet, when you appreciate what Eintracht Frankfurt has been, what the name means to countless fans around the world, it would send a tremor through the game at large if the club was not to see its 100th anniversary, in 1999.

"We have always been first-class," says Rolf Heller, Eintracht's president. "Last season was the first time we were ever relegated, but we think we are at the bottom of the curve. We believe we've stopped falling, and that we will be back in the Bundesliga for our centenary."

Heller will need every ounce of his acumen and a little help from the players to fulfill that statement. For it is the modern professionals, rather than the ghosts of a great past, who threaten Eintracht's status.

Like many clubs — Real Madrid among them — Frankfurt has tended to spend more than it earned to import big name players. In 1992-3 and 1993-4, Tony Yeboah, its Ghanaian star, was joint top goal scorer in the Bundesliga.

Together with Maurizio Gaudino, he formed a formidable Frankfurt attack. But that soured when Jupp Heynckes, himself once a prolific marksman, made strict coaching demands that Yeboah and Gaudino rebelled against.

Yeboah is a scorer of phenomenal goals, masterpieces of vision and power and intuition. He felt the coach asked too much of his time, his liberty, his habit of conjuring up great goals. The club backed Heynckes, and sold both Yeboah and Gaudino.

Hans-Joachim Otto and Bernd Thate, the club president and treasurer, had to resign last year when tax investigators probed payments to Yeboah. Dragoslav Stepanovic and Bernd Holzenbein, the next team coach and manager, have also been swept away.

Heller picked up the poisoned chalice, aware that relegation had cost Frankfurt 8 million marks in revenue, and that millions more must be raised to prevent Germany's soccer authorities calling time on a debtor club.

With a core support of 15,000 — half the expectation in the Bundesliga — Heller must seek outside investment. His biggest selling point is old times.

That is a hard sell, as Real Madrid can testify. The Madrid giant, *the* original European power, is itself gambling on spending its way out of $90 million debts. Right now, its team, despite finding life intolerably regimented under Italian coach Fabio Capello, is nine points clear in the Spanish league. Reentry to the European Cup will continue its return to glory and to serious money.

Eintracht watches enviously. Some cruelly say it was ever thus, that on May 18, 1960, at Hampden Park, the Germans were bystanders at the Madrid ball.

I have to be honest. Youth made me a second hand witness to that event. Indeed, as a young apprentice soccer player, I was told to study an 8mm film of the match: the flickering black and white images of the supreme skills of Alfredo di Stefano and Ferenc Puskas.

"Play like that!" our coach said.

Over the years, I met a generation of influential trainers whose credo was the same, whose life's work was to pass on the knowledge of the game at its best.

Di Stefano, an Argentine who was arrogant and ultra-fit at 34, strutted the midfield. He controlled the match with his physique and his technique, and he scored three times. Puskas, the portly Hungarian, scored four times.

They were backed by Jose Santamina, an indomitable Uruguayan defender, by Canario, a direct Brazilian winger, and yes, by Francisco Gento, a left winger of breathtaking pace whose distinction was that he was Spanish by birth.

Real in the 1960s was, like so many dominant teams today, a United Nations of players. Frankfurt was German through and through. It had swept to the final, putting 12 goals past Glasgow Rangers, and, with Alfred Pfaff a fine schemer and Richard Kress a dynamic winger, had the effrontery to score the first goal of that epic final.

Frankfurt played a spirited part in what many remember as soccer's finest hour. For that I hope it survives.

Rob Hughes is on the staff of The Times of London.

White Men (and Women) Can't Sprint?

Vantage Point / **IAN THOMSEN**

International Herald Tribune

PARIS — Here is a touchy subject. For the first time in the professional era, the world champion sprinters were predominantly white.

Of the four sprints at last weekend's indoor world championships in Paris, two were won by white men and one by a white woman. Two of the winners were Greek.

When Kevin Little, a white American, won the 200-meter final in 20.40 seconds, a championship record, he was ready for questions about his race — not *the* race, but *his* race. "The way I see it, a man won the 200," said Little, who is 28. "It doesn't matter what color. I knew what I was capable of, and hopefully fans and the viewers around the world will see that and they won't see it as a white sprinter winning the gold medal. I'm training to be the fastest, period."

Little's victory in itself was not shocking. Two years ago the world indoor 200 was won in Barcelona by the Geir Moen of Norway, albeit in a relatively slow 20.58 seconds. Little already held bronze medals in the 200 from these championships in 1989 and 1993. His opponents in Paris included Ato Boldon of Trinidad, who had won two sprint bronze medals at last summer's Olympics, but suffered a hamstring strain while trailing in the final quarter last weekend.

It would be an exaggeration to cast the weekend's results as an important racial story. The fact is that most of the world's fastest men — Michael Johnson, Donovan Bailey, Frankie Fredericks and several others, all of them of African descent — weren't in Paris, preferring to save their best performances for the more lucrative outdoor Grand Prix meets and the outdoor World Championships in Athens in August.

The results did, however, emphasize that white sprinters are among the most obvious underdogs in any sport. The last white man to win a global championship 100-meter sprint was Allan Wells of Scotland at the 1980 Olympics in Moscow, which were boycotted by the Americans. Last weekend, when Haralambos Papadias of Greece became, by one one-hundredth of a second, the first white man to be world champion at 60 meters — which is the indoor equivalent of 100 meters — the photographers and cameramen at the finish line naturally aimed their lenses at the black runners-up, leaving the 27-year-old Papadias to celebrate in relative privacy for a few moments until his winning time of 6.50 seconds was announced.

The weekend's results also underlined an apparent revival of Greek athletics, which is said to be receiving more government financing in the hopes of producing good results for the World Championships later this summer and, potentially, at the 2004 Summer Olympics, for which Athens is one of the five final bidders.

"We have a lot of really good athletes in the high jump, the long jump, everywhere," said Ekaterini Koffa of Greece after winning the women's 200 from the outside lane by, again, one one-hundredth of a second.

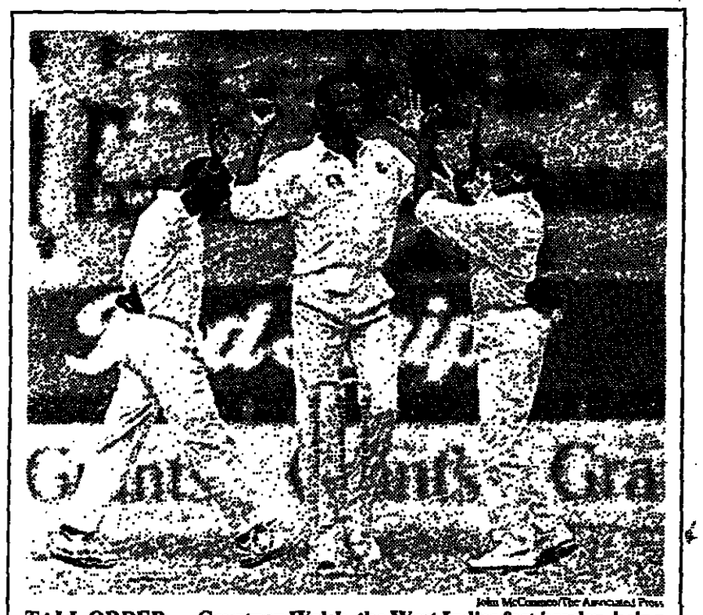
Though statisticians have noticed Greek athletes improving in recent years, neither Koffa nor Papadias were expecting gold medals. Last year their compatriot, Ekaterini Thanou, became Greece's first European indoor champion when she won the 60 meters.

Unfortunately, an awkward drug-testing controversy may be developing around the Greeks.

According to a report filed by a drug-testing official for the International Amateur Athletic Federation, a Greek coach refused to allow several Greek athletes to be tested for drugs last month in Dortmund, Germany. The Greeks have said that the official didn't identify himself properly; the official reported that he was never given the chance before the athletes left the scene.

According to a Greek coach, Christos Tsekos, the athletes were tested later. He declined to answer other questions about it.

The case is to be evaluated by the IAAF next week in Turin.



John McConnico/The Associated Press

TALL ORDER — Courtney Walsh, the West Indies fast bowler, being congratulated by teammates after dismissing Navjut Sidhu of India on the last day of the first test in Jamaica. The home team's hopes of bowling out India were dashed by rain, and the match was drawn.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

MONDAY'S GAMES

Cincinnati 6, New York Mets 5
Montreal 4, Los Angeles 3
Houston 3, St. Louis 1, 10 innings
Florida 6, Minnesota 5
Philadelphia 5, Boston 4
Chicago White Sox 7, Pittsburgh 4
Baltimore 6, Atlanta 5
Detroit 5, Kansas City 3, 11 innings
Texas 6, Toronto 1
Chicago Cubs (ss) 13, Colorado (ss) 4
San Francisco 5, Anaheim 2
San Diego 7, Milwaukee 4
Chicago Cubs (ss) 11, Oakland 7
Colorado (ss) 7, Seattle 6
Cleveland 2, New York Yankees 1;

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	38	19	10	86	224	170
New Jersey	35	19	12	82	182	154
Florida	29	23	15	73	177	158
N.Y. Rangers	31	28	9	71	219	191
Tampa Bay	27	32	7	61	184	206
Washington	26	33	7	59	166	187
N.Y. Islanders	23	33	10	56	181	195

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	34	21	11	79	192	165
Pittsburgh	32	28	6	70	228	216
Hartford	26	30	10	62	183	201
Montreal	24	32	13	61	210	243
Ottawa	22	32	13	57	184	197
Boston	23	35	9	55	197	238

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	40	23	5	85	205	165
Detroit	32	19	15	79	211	155
Phoenix	31	33	4	66	192	205
St. Louis	28	31	8	64	195	206
Chicago	26	31	11	63	174	170
Toronto	25	37	5	55	196	231

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
x-Colorado	41	17	9	91	228	163
Edmonton	31	30	7	69	212	202
Anaheim	28	30	9	65	195	194
Calgary	28	34	7	63	181	196
Vancouver	28	35	4	60	208	229
Los Angeles	25	35	9	59	184	224
San Jose	23	36	7	53	169	216

x-clinched playoff berth

MONDAY'S RESULTS

Montreal 6 9 2 0—2
Pittsburgh 2 0 0 0—2
First Period: P-Hatcher 12 (Lemieux, Johansson) 2. P-Barnes 16 (Hicks, Nedved) Second Period: None. Third Period: M-Bure 13 (Recchi, Rucinsky) (pp). 4. M-Richer 18 (Recchi, Damphousse) Overtime: None. Shots on goal: M-12-10-13-4—39. P-5-10-10-0—25. Goalies: M-Thibault. P-Wregget.
Dallas 2 1 0 0—3
Toronto 0 2 1 0—3
First Period: D-Verbeek 16 (Nieuwendyk, Sydor) (pp). 2. D-Hogue 14 (Sydor, Harvey) (pp). Second Period: T-Wariner 11 (Sundin) 4. T-Wariner 12 (Zettler, Domi) 5. D-Nieuwendyk 26 (Hogue, Verbeek) Third Period: T-Hendrickson 10 (Sundin, Sullivan) Overtime: None. Shots on goal: D- 8-9-6-1—24. T- 5-12-9-2—28. Goalies: D-Irbe. T-Potvin.
Vancouver 2 0 0 0—2
Chicago 1 1 0 0—2
First Period: V-Bohonos 5 (Roberts, Naslund) (pp). 2. C-Craven 6 (Miller, Daze) (pp). 3. V-Naslund 14 (Bohonos, Roberts) (pp). Second Period: C-Cummins 4 (Sykora, Probert) Third Period: None. Overtime: None. Shots on goal: V- 14-14-9-0—37. C- 13-9-10-0—32. Goalies: V-Hirsch. C-Hackett.
Ottawa 2 1 1—4
Phoenix 0 0 1—1
First Period: O-Daigle 24 (Duchesne) 2. O-, Yashin 31 (McEachern, Chorske) Second Period: O-Duchesne 12 (Alfredsson, Yashin) (pp). Third Period: Phoenix, Johnson 3 (Drake, Finley) 5. O-Alfredsson 23 (Van Allen) (en). Shots on goal: O- 14-6-9—29. Phoenix 5-7-10—22. Goalies: O-Tugnutt. Phoenix, Khabibulin.
Detroit 2 1 0 0—3
Los Angeles 0 2 1 0—3
First Period: D-Kozlov 21 (Sandstrom, Rouse) 2. D-Draper 7 (Fetisov, Konstantinov) (pp). Second Period: D-Sandstrom 16 (Yzerman, Rouse) 4. L.A.-O'Donnell 5 (Stevens) 5. L.A.-, Olczyk 21 (Stevens) Third Period: L.A.-Ferraro 23 (Nurminen, Stevens) Overtime: None. Shots on goal: D- 15-16-6-6—43. L.A.-8-10-7-1—26. Goalies: D-Osgood. L.A.-Dafoe.

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
New York	47	16	.746	—
Miami	45	17	.726	1½
Orlando	32	28	.533	13½
Washington	28	33	.459	18
New Jersey	18	43	.295	28
Philadelphia	16	44	.267	29½
Boston	12	50	.194	34½

CENTRAL DIVISION

	W	L	Pct	GB
x-Chicago	53	8	.869	—
Detroit	45	16	.738	8
Atlanta	42	19	.689	11
Charlotte	40	22	.645	13½
Cleveland	33	27	.550	19½
Indiana	29	32	.475	24
Milwaukee	26	35	.426	27
Toronto	21	40	.344	32

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	45	16	.738	—
Houston	42	20	.677	3½
Minnesota	30	30	.500	14½
Dallas	19	41	.317	25½
Denver	18	43	.295	27
San Antonio	15	46	.246	30
Vancouver	11	52	.175	35

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	42	18	.700	—
L.A. Lakers	41	20	.672	1½
Portland	35	28	.556	8½
Sacramento	28	34	.452	15
L.A. Clippers	26	33	.441	15½
Phoenix	24	37	.393	18½
Golden State	23	38	.377	19½

x-clinched playoff spot

MONDAY'S RESULTS

Golden St.	24	35	19	28—106
L.A. Clippers	21	28	29	34—112

G.S.: Sprewell 9-17 22-25 41, Mullin 5-16 7-8 17; L.A. CLIPPERS: Vaught 10-26 2-5 22, Wright 6-10 5-10 17. Rebounds—Golden State 49 (Spencer 10), Los Angeles 59 (Vaught 11). Assists—Golden State 15 (Coles 5), Los Angeles 24 (Delvere 4).

CRICKET

INDIA TOUR

1ST TEST, 5TH DAY

WEST INDIES VS. INDIA

MONDAY, IN KINGSTON, JAMAICA

West Indies: 427 and 241-4 declared
India: 346 and 99-2.

West Indies and India drew on the rain-hit fifth and final day.

GOLF

JOHNNIE WALKER RYDER CUP

Standings for the Ryder Cup to be played Sept. 26-28 at Valderrama in Sotogrande, Spain. The top 10 finishers qualify for the 12-man teams and U.S. captain Tom Kite and European captain Seve Ballesteros each have two wild-card choices:

UNITED STATES

1. Tom Lehman 746,290. 2. Mark O'Meara 723,750. 3. Steve Jones 579,280. 4. Davis Love III 525,000. 5. Mark Brooks 519,750. 6. Phil Mickelson 501,790. 7. Tiger Woods 485,000. 8. Scott Hoch 484,280. 9. David Duval 390,000. 10. Kenny Perry 371,250. 11. Fred Couples 355,540. 12. Jim Furyk 347,500. 13. Steve Stricker 342,500. 14. John Cook 341,000. 15. Paul Stankowski 340,000.

EUROPE

1. Colin Montgomerie, Scotland 231,364.16
2. Miguel Angel Martin, Spain 262,975.59
3. Thomas Bjorn, Denmark 238,057.40
4. Costantino Rocca, Italy 200,326.54
5. Darren Clarke, N. Ireland 187,609.42
6. Ian Woosnam, Wales 173,842.71
7. Per-Ulrik Johansson, Sweden 162,633.55
8. Jean Van de Velde, France 160,778.39
9. Sam Torrance, Scotland 150,908.50
10. Paul Broadhurst, England 130,663.90
11. Roger Chapman, England 118,998.69
12. Padraig Harrington, Ireland 112,653.13
13. Lee Westwood, England 104,016.32
14. Peter Mitchell, England 101,498.57
15. Miguel Angel Jimenez, Spain 96,527.38

SOCCER

ENGLISH PREMIER LEAGUE

Liverpool 4, Newcastle 3

Standings: Manchester United 57 points, Liverpool 56, Arsenal 54, Newcastle 48, Aston Villa 46, Sheffield Wednesday 45, Wimbledon 44, Chelsea 43, Leeds 39, Leicester 37, Tottenham 35, Everton 33, Blackburn 32, Derby 32, Sunderland 32, Coventry 30, Nottingham Forest 27, Southampton 25, West Ham 25, Middlesbrough 22.

SPANISH FIRST DIVISION

Real Madrid 2, Racing Santander 1

Standings: Real Madrid 65 points, Barcelona 56, Real Betis 56, Deportivo Coruna 53, Atletico Madrid 49, Real Sociedad 45, Valladolid 43, Tenerife 42, Athletic Bilbao 42, Valencia 39, Racing Santander 38, etc.

INTERNATIONAL FRIENDLY

TUESDAY, IN SOFIA

Bulgaria 0, Slovakia 1

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

ANAHEIM—Signed 1B-OF Darin Erstad, RHP Dennis Springer and 3B George Arias to 1-year contracts.

BOSTON — Bought contract of OF Steve Hosey from Sioux Falls, NL.

CLEVELAND —Agreed to terms with RHP Chad Ogea on three-year contract, and P Bartolo Colon, P Maximo DeLaRosa, P Danny Graves, P Steve Kline, P Alble Lopez, INF Herbert Perry, INF Enrique Wilson, OF Trenidad Hubbard, OF Alex Ramirez and C Elnar Diaz on 1-year contracts.

KANSAS CITY —Agreed to terms with INF Keith Lockhart, C Sal Fasano and OF Michael Tucker on 1-year contracts.

NEW YORK—Agreed to terms with SS Derek Jeter on 1-year contract.

OAKLAND—Released 2B Brent Gates, LHP Doug Johns and OF Allen Battle.

TORONTO—Signed DH Carlos Delgado.

NATIONAL LEAGUE

CINCINNATI— Released LHP Billy Brewer and OF Scott Bullett.

SAN DIEGO —Signed RHP Joey Hamilton, RHP Doug Bochtler and SS Guilvio Veras to 1-year contracts.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

NBA—Fined Milwaukee Bucks F Armon Gilliam $7,500 for committing a flagrant foul against Cleveland G Bob Sura on March 8.

PORTLAND —Signed G Rumeal Robinson for remainder of season. Suspended F Dontonio Wingfield for 1 game for conduct detrimental to the team.

SAN ANTONIO—Suspended G Maxwell for one game for an incident involving fans during a game on March 1.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA —Agreed to terms with FB Bob Christian on three-year contract and TE Ed West to 2-year contract.

DENVER —Signed P Tom Rouen to 3-year contract.

DETROIT —Signed QB Frank Reich, WR Miles Mack and TE Derek Price.

HOCKEY

NATIONAL HOCKEY LEAGUE

VANCOUVER—Traded LW Esa Tikkanen and RW Russ Courtnall to New York Rangers for C Sergei Nemchinov and PW Brian Noonan.

COLLEGE

BCAC—Announced that Davidson College has been voted in as a member of the conference.

CONFERENCE USA—Announced Army would join the conference in football starting in 1998.

IOWA—Signed Hayden Fry, football coach, to a one-year contract extention through June 30, 2001.

MISSISSIPPI STATE—Suspended WR James Jones from the football team after being arrested.

WISCONSIN—Extended the contract of Barry Alvarez, football coach, through the 2001 season.

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Herald Tribune

SPORTS

Gophers Rise To the Heights

Coach Haskins Coaxes Minnesota to NCAA Berth

By Thomas George
New York Times Service

MINNEAPOLIS — "I could score 50 when I had to," the bold coach tells his doubtful players. "They couldn't check me."

Uh-huh, uh-huh, nods a rapt, smiling audience of Minnesota Golden Gophers.

"Sometimes, I would just fall out of bed and score 50," the Gophers' coach, Clem Haskins, tells his players. "I was sick once and scored 15 points and grabbed 10 rebounds. Hey, wait a minute, that's not true. I've never been sick a day in my life. Basketball was too important to me."

The Minnesota players request one thing: Coach, please, show me the tape. Show us the video.

Enough, says Haskins. Back to work.

That kind of playful exchange between Haskins and his players has happened frequently during this Minnesota season, a 27-3 season, 16-2 in the Big Ten Conference. Heady stuff. Minnesota, the Midwest region's No. 1 seeded team, opens national tournament play Friday against Montana (21-10) at Kemper Arena in Kansas City, Missouri.

Well, here goes the Big Ten again, sending in another big-time team. Will it flop like recent Big Ten champions? Here goes Haskins again, an all-America guard called Clem the Gem at Western Kentucky before leaving in 1967, the third pick in the National Basketball Association draft that year and a nine-year pro. He has coached for 17 seasons and is taking his seventh team for a tournament waltz. None has reached the Final Four.

But this is a different Haskins team. This is a hammer team. This team can score 50 on you when it has to. This team can fall out of bed and give you a game. Basketball is important to this team.

This team is more like Haskins than any other he has coached, including six at Western Kentucky and his previous nine at Minnesota, where he won the 1993 National Invitation Tournament. This team plays like he played: aggressive, confident, relentless. And with plenty of ability and flexibility.

Finally, Clem Haskins has a team crafted and carved, inside and out, in his own image. With his mind-set. Watch out.

"I want our players to laugh, to be able to laugh at themselves and to have fun," said Haskins, 54, who last summer was an assistant coach for the U.S. Olympic team. "I exaggerate with them a lot about me as a player. But, you know, some of that stuff is true.

As for Minnesota? "This is home now. Western Kentucky will always be 'home' home, but this is where I have found there are no more mountains to climb, that this is it for me, this job, this place.

"And this team, it has taken on my demeanor. My demeanor is their demeanor."

So, that explains Minnesota's winning 22 of its last 24; ripping through the season with a 14-0 home record and claiming its best conference record since the 1918-19 season. So, that explains Minnesota's winning so many close games — five by 1 or 2 points — and suffering just three losses, all on the road.

This is a hammer team.

"This team plays hard, has high-intensity defense, is physical and is mentally strong," said Minnesota forward Courtney James, who is from Indianapolis.

Sam Jacobson of Cottage Grove, Minnesota, starts at the other forward, John Thomas of Minneapolis at center and Bobby Jackson of Salisbury, North Carolina, and Eric Harris, of New York, at guard. The 15 Gophers represent nine states.

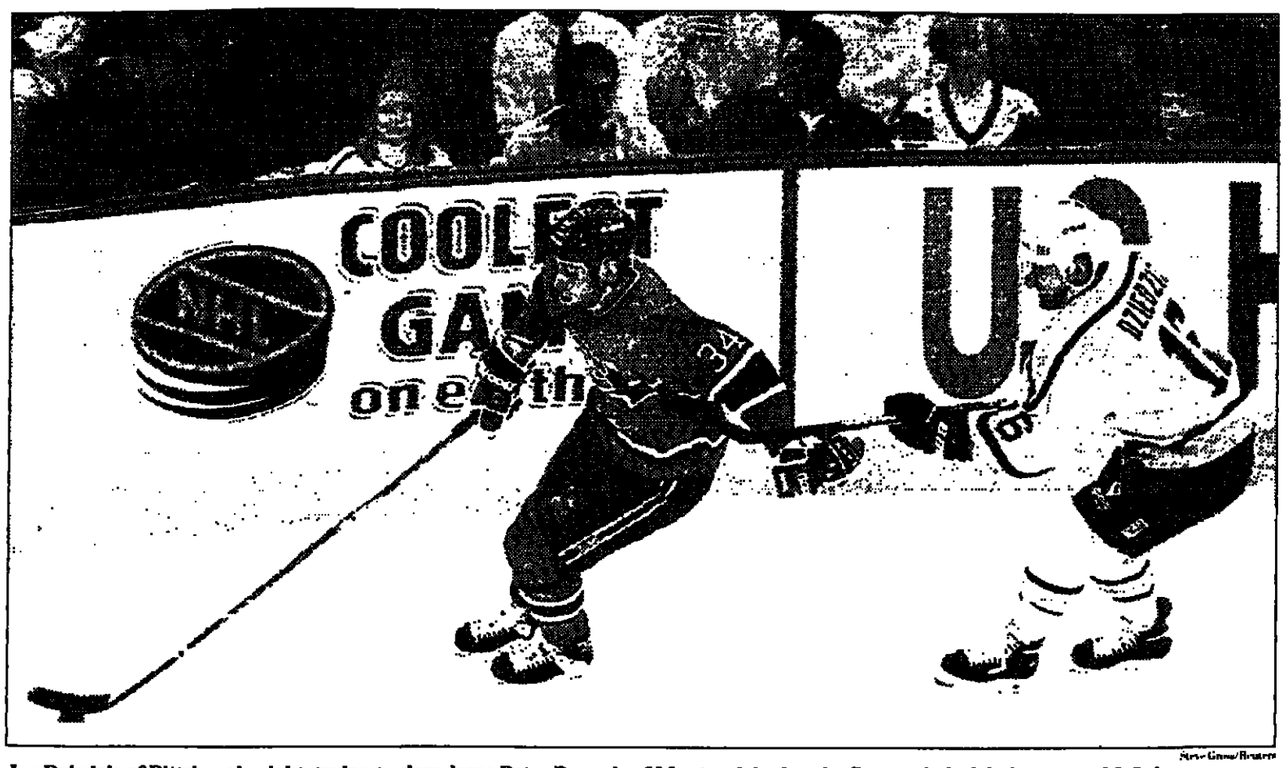
"Minnesota, because of Coach Haskins's appeal, is getting players from everywhere," James said. "There is no way with what this team has accomplished that it is going to flop in the first round.

"No way," he added. "Coach won't let it happen. We won't let it happen."

Tom Izzo, the Michigan State coach, said: "Clem has molded this team into a unit. And they have got the one special player, Bobby Jackson, that makes it happen for them in tough moments. They have depth, they have guards, they have forwards, they have a perimeter game.

Haskins is often told by parents, "Take my son and make a man out of him."

His players say he does just that. Jackson said the coach concentrates on life after basketball. Jacobson said that Haskins is a tremendous motivator, his career tales included.



Steve Gross/Reuters

Joe Dziedzic of Pittsburgh, right, trying to slow down Peter Popovic of Montreal during the first period of their eventual 2-2 tie.

Trade Finally Starts to Pay Off for Maple Leafs

The Associated Press

So far, the Doug Gilmour trade is looking pretty good — for both the New Jersey Devils and the Toronto Maple Leafs.

While Gilmour has played inspirational hockey in New Jersey since his trade from Toronto on Feb. 25, the Maple Leafs have come out of a season-long funk.

The Leafs lost their first game after trading the star center and defenseman Dave Ellett for three young players on Feb. 25, but Monday night's 3-3 tie with the Dallas Stars stretched their unbeaten streak since then to five.

"I think there was kind of a prevailing attitude to let Doug do it," said Mike Murphy, the Toronto coach. Other players now "realize they have to do it," he said. "Doug isn't coming off the bench anymore."

Steve Sullivan, one of those acquired in the trade for Gilmour, helped set up the Maple Leafs' tying goal by Darby Hendrickson with 47 seconds left in the third period.

The Stars led, 3-2, when Murphy pulled goalie Felix Potvin for a sixth attacker. Sullivan corralled the puck behind the net and whipped it to Mats Sundin. Sundin onetimed the pass to Hendrickson, who fired it over Arturs Irbe to tie the game at 19:13.

Pat Verbeek scored his 16th goal and Benoit Hogue his 14th to give the Central Division-leading Stars a 2-0 lead after the first period. But Todd Warriner scored his 11th and 12th goals in the second to tie the game for Toronto before Joe Nieuwendyk scored his 26th at 18:41 to give Dallas a 3-2 lead.

"Sometimes you come in where a team isn't playing all that well and you think you're going to have it easy," Dallas forward and former Maple Leaf Benoit Hogue said. "We got up 2-0 and thought we'd have it easy. But it's not over 'till the fat lady sings. Hopefully we can learn from this."

NHL ROUNDUP

Canadiens 2, Penguins 2 In Pittsburgh, Valeri Bure and Stephane Richer scored in the last 3:35 of the third period as Montreal tied the Penguins.

Richer capped the rally with his 18th goal at 18:08 after the Canadiens goalie, Jocelyn Thibault, was pulled for an extra attacker with 2:29 left in the third period.

Senators 4, Coyotes 1 Ottawa got goals from Alexandre Daigle, Alexei Yashin, Steve Duchesne and Daniel Alfredsson as the Senators ended Nikolai Khabibulin's consecutive shutout streak.

Phoenix returned home after three consecutive road shutouts by Khabibulin, who was trying to become the first NHL goalie to notch four in a row since Bill Durnan, a Hall of Famer, did it for Montreal in 1948-49.

"I knew it was going to end someday. No goalie is going to stop all the shots every game," said Khabibulin, who suffered his 30th loss of the season.

"I think we just play differently at home. We play simple on the road and at home, we just don't do it for 60 minutes."

The Coyotes managed only 21 shots on Ron Tugnutt, who lost a chance for his third career shutout when Jim Johnson scored 1:29 into the third period.

Blackhawks 2, Canucks 2 Chicago's Jeff Hackett made 35 saves and Vancouver's Corey Hirsch 30 in Chicago.

The decision left the Blackhawks with the worst home record in the league at 11-18-4. At the same time, the Colorado Avalanche benefited, becoming the first team to clinch a playoff berth this season. Murray Craven and Jim Cummins scored for the Blackhawks, which have won one of their last seven games. Lonny Bohonos and Markus Naslund had goals for Vancouver, which has won one of its last nine.

Kings 3, Red Wings 3 Ray Ferraro scored on a breakaway with 7:38 left in the third period and Kevin Stevens had three assists as Los Angeles rallied from a three-goal deficit to tie visiting Detroit.

Stevens, who missed the previous seven games because of a bruised ankle, set up second-period goals by Sean O'Donnell and Ed Olczyk. He also started the play that resulted in the tying goal, winding the puck around the boards from behind the Kings' net to Kai Nurminen.

Vyacheslav Kozlov, Kris Draper and Tomas Sandstrom scored for the Red Wings, who extended their unbeaten streak to 11 games.

Clippers Push Back Warriors, 112-106

The Associated Press

The Los Angeles Clippers ended a four-game losing streak and opened a three-game lead over the Phoenix Suns in the race for the final playoff spot in the Western Conference with a 112-106 victory over Golden State.

The Warriors, who would have moved within two games of Los Angeles with a victory, instead fell four behind after their game, the sole contest Monday in the National Basketball Association.

Rodney Rogers scored eight of the Clippers' final 10 points to help them overcome a 16-point deficit and Latrell Sprewell's 41 points for the Warriors.

"We picked up our defense with a carload of guys," said Los Angeles's coach, Bill Fitch. "Our defense actually got us into our offense. I told them at halftime that tight losses where the quality of play was good lets you think there might be a real stinker right around the corner. You've got an excuse to play a stinking game, but don't do it. Every game is important."

NBA

The Clippers won the season series with Golden State, 3-1, as the Warriors fell to 0-8 on the road against opponents in the Pacific Division.

Loy Vaught led the Clippers with 22 points and 11 rebounds, and a rookie, Lorenzen Wright, added a season-high 17 points, as well as 10 rebounds.

The Warriors had a 64-51 advantage with 10:46 left in the third quarter. But Brent Barry's 3-pointer started Los Angeles on a 15-2 run that tied the score 66-66 with 6:17 left in the period.

"Bottom line was they stopped us when they had to, and we weren't able to stop them," Golden State's Chris Mullin said.

Mullin, whose string of 47 consecutive free throws was snapped in the second quarter, was ejected with 1:38 left in the game after arguing an offensive foul call with the referee, Tommy Nunez. Mullin walked off the court with the ball.

"Most of the time you don't have the ball in your hands when you're ejected," he said. "I happened to have it in my hands and I just kept walking."

Nike's Head Faults Deal By Yankees

The Associated Press

NEW YORK — Phil Knight, the Nike chairman, has accused Major League Baseball of making a mistake by allowing the New York Yankees to make their own deal with Adidas. Knight said his company would not rush out to sign teams.

The Yankees and Adidas agreed last week to a sponsorship contract worth about $95 million for 10 years.

The Yankees' owner, George Steinbrenner, has defied baseball's lawyers by refusing to provide a copy of the Adidas contract. The ruling executive council may vote on whether to fine the team unless it reveals the agreement.

The move came four months after baseball owners rejected a 10-year, league-wide agreement with Nike and Reebok.

"Major league baseball screwed up, and it's a real problem for them," Knight said Monday. "They have a ways to go to get their act together."

Reebok is said to be talking about deals with the Boston Red Sox and possibly the Chicago White Sox. The Florida Marlins are said to be talking with Fruit of the Loom's Pro Player division.

If large-market teams make their own deals, it will give them more cash when competing for free agents with the small-market clubs.

■ Unhappy Infielder

John Valentin, who had been absent from the Red Sox training camp, agreed to switch from shortstop to second base but he said he would prefer to move much further: away from Boston.

Saying he would be back in camp Tuesday at Fort Myers, Florida, Valentin repeated his request to be traded.

"I am a professional," he said. "I am not a baby. It's time to come in here and turn the page, and I'm ready to play.

"When I put on my uniform tomorrow, I will go out there just to play baseball, and every other thought will be out of my mind."

Valentin, one of the best-hitting shortstops in the majors, was asked to move to second base to make room for a top prospect, Nomar Garciaparra.

The disgruntled infielder was given a 48-hour furlough Saturday after the new Red Sox manager, Jimy Williams, told him the plan.

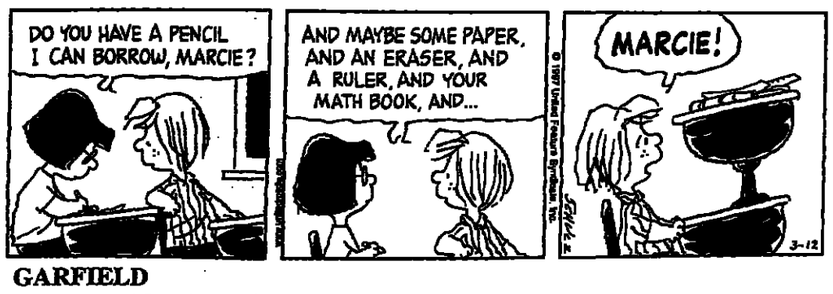
The Yankees, meanwhile, treated their shortstop, Derek Jeter, to a pay raise.

The Yankees could have renewed his contract at $150,000, but instead they gave him $525,000.

Jeter, who was the American League rookie of the year last season, had asked for $550,000.

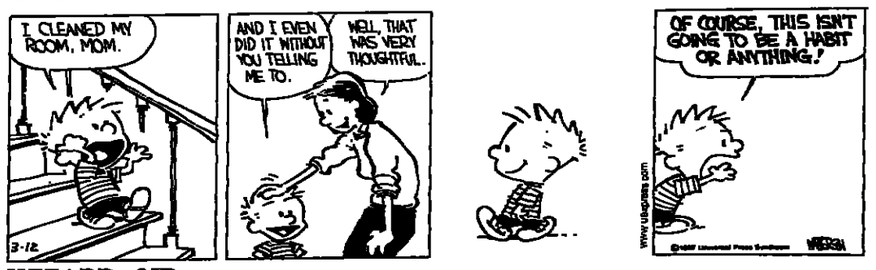
DENNIS THE MENACE

PEANUTS



GARFIELD

CALVIN AND HOBBES



WIZARD of ID

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

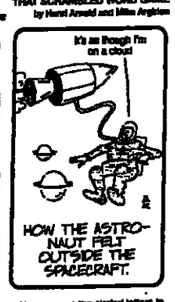
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ROVIY

NOYGA

YANAWY

LUNIKE



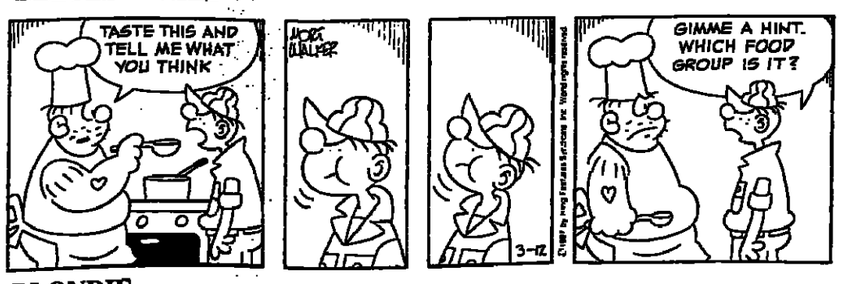
HOW THE ASTRONAUT FELT OUTSIDE THE SPACECRAFT.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

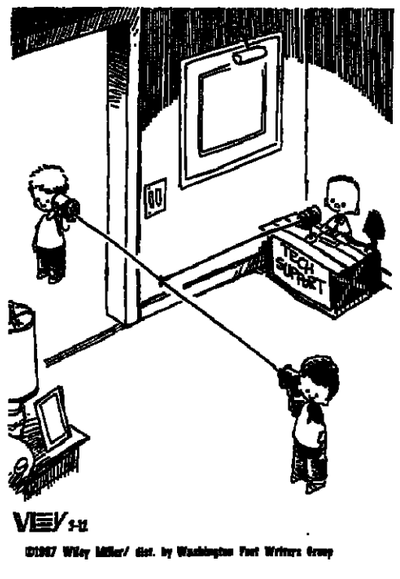
Answer: LIKE ON (Answers tomorrow)

Yesterday's Jumbles: LINER FEVER TYPING GRIMLY
Answer: Running out of gas can give you the — . AN EMPTY FEELING

BEETLE BAILEY



NON SEQUITUR



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POSTCARD

Single Malt Stories

By Janny Scott
New York Times Service

NEW YORK — An invitation arrives, out of the blue. You are invited to supper with a couple of authors you admire, at a club in Manhattan where you will never be a member (but where you do not mind imagining you belong).

You may notice the name of a literary magazine on the invitation. Maybe you notice the name of some liquor company, too. Faintly flattered, you accept.

On the appointed evening, you find yourself in a dark wood-paneled room abuzz with people dressed mostly in black, who can be overheard saying things like: "That was the weirdest book. I can't remember a word of it now."

□

The only liquor being offered turns out to be single malt Scotch, made by the company whose name you half-noticed on the invitation. A marketing executive for the liquor company approaches the podium, clinks her glass and welcomes her guests: "I want to thank everyone for coming to our evening of single malt and stories."

There is a new kind of cultural event on the calendar in New York City and in other cities across the United States. Over the last few years, several large distributors of Scotch have organized readings (accompanied, of course, by Scotch) and given elaborate, by-invitation-only literary dinner parties (accompanied, of course, by Scotch).

The intention is to appropriate some of the glamour that currently inheres in certain attractive, youngish creators of literary fiction for the purpose of peddling liquor.

One evening in February, several hundred subscribers to Harper's magazine sat down to a dinner of Scottish smoked salmon and roast beef in a banquet room at the Yale Club in midtown Manhattan, at the invitation of the Macallan single highland malt Scotch whisky and Harper's magazine.

The evening's attraction was a reading by New York's much-discussed literary couple of the moment: Kathryn Harrison, the novelist, who has just published a book about her incestuous relationship with her father, and her husband, Colin Harrison, also a novelist and deputy editor of Harper's.

Ten days earlier, the Macallan and Granta magazine had held a similar dinner at the University Club featuring Paul Auster, Jeffrey Eugenides and three other writers.

Johnnie Walker Black Label, too, has tried the literary thing. In mid-1995, it recruited four young writers to read in six of the company's target-market cities. Working with promoters in each city, it rounded up crowds of guests from the worlds of fashion, photography and advertising.

In New York, Frank DeCaro read from "A Boy Named Phyllis: A Suburban Memoir" at Global 33 in the East Village. Jennifer Egan read parts of "The Invisible Circus" in a rock 'n' roll club in Washington.

"There was this weirdly Noël Coward aura to the whole thing," said Thomas Beller, who found himself reading from his book, "Seduction Theory," in a Chicago bookstore while tuxedoed waiters poured drinks. "It was as though I was a hedge fund manager having a cocktail party."

Shockingly Mainstream: The New Howard Stern

By Caryn James
New York Times Service

NEW YORK — All together now, the media mantra about Howard Stern: He is a compulsively faithful husband; his rudeness is just an act, and (pretend to be surprised here) he's really a nice guy!

Just a few years ago the spin was that Stern was vile, raunchy to the core. (Fans saw that as a compliment.) The new spin, repeated relentlessly in interviews and reviews, is that Stern is a good boy masquerading as a bad one. With this magical media transformation, he has made himself safe for mainstream America while spouting rude questions, forbidden fantasies and details of his sexual adventures on the Internet all the way to the bank.

"Private Parts," the autobiographical film that opened on Friday in the United States, is a certified blockbuster. (It was No. 1 at the box office over the weekend, bringing in a strong $15.1 million.)

On screen, his boss at WNBC radio, a man he nicknames Pig Vomit, yells at him, "You're the anti-Christ!" The scene is played for broad laughs and slapstick, because Stern, of course, is not the anti-Christ. He is the anti-Oprah, proof that a blunt, macho pop celebrity can go a long way in an age dominated by gushingly sincere sob sisters. That is the clever stance from which he has conquered America. Best known for making crass sexual remarks, he has also insulted and deflated the images of Oprah Winfrey, Kathie Lee Gifford, Roseanne and other weepy icons of public confession.

He is now the kind of celebrity no one can escape. People know about him even if they don't listen to the radio, (about 18 million hear his show around the country) or watch late-night television (a half-hour version of the show appears weeknights on the E! channel, and he is a frequent guest on the Jay Leno and David Letterman shows).

To hype "Private Parts" (based on his best-selling book), he has appeared on the covers of Entertainment Weekly, Rolling Stone, Time Out New York and even some editions of TV Guide (those sold on newsstands in about 35 big cities where his show is heard). You don't get more mainstream than TV Guide.

He has been profiled and analyzed in magazines from Playboy to The New Yorker. And here's a thought more threatening than anything heard on the Stern show: A raft of scholarly work on "The Semiotics of Howard Stern" can't be far away.

Back in the mainstream, critics have given the film glowing if cliché-ridden reviews, with phrases like "comic valentine" and "explosive laughs" featured in the ads. The reissued paperback of "Private Parts" will be No. 8 on the New York Times best-seller list on March 16; the movie's soundtrack entered the Billboard pop chart as No. 1, reportedly the fastest-selling soundtrack in history.

His mainstream popularity may say less about culture becoming edgier than about Stern becoming tamer. The movie is a sanitized, even polite version of his radio show and his two best-selling books. The film includes some nudity and unprintable words, but essentially it is an All-American success story, with a happy, monogamous marriage at its heart. People who expect to be outraged won't be.

Today the bad boy has turned himself inside out and manages to have it both ways. He hangs onto an audience that prizes his blunt, adolescent attitude. This audience, mostly young and mostly male, is the one that embraces Stern's routines, like nude massages and his lesbian obsession. But by insisting that he is a devoted husband and father, and by making that "private" fact an important part of his public persona, he has gradually cultivated a wider, more upscale audience, too. Now he says vile things with a wink; he can't lose.

His popularity gives him a place in the cultural landscape. Maybe that place is the highway rest stop in New Jersey that Governor Christine Todd Whitman named after him. Much of the Stern humor is on the level of a 3-year-old yelling "poop" out loud in church. People root for him the way they once cheered for the class clown who made fun of the teacher: he got detention, you laughed and went home on time. It's the classic strategy of the comic as scapegoat, carrying the weight of all the honesty and bad behavior real grown-ups avoid. Stern is the illegitimate father of Beavis and Butt-head.

K.C. Bailey

Stern in "Private Parts": The nice side of the shock jock.

But the deeper source of his popularity, at least in his pre-Hollywood phase, is his cutting down of shrewdly chosen targets.

"Every celebrity book should have revelations," he says in "Miss America," a collection of observations that was his best-selling follow-up to "Private Parts." He writes: "Oprah Winfrey has a great story. She's been molested by half her family tree."

That is not, of course, a politically correct remark, and even Stern knows that child abuse is no joke. But child abuse is not the point here; the absurdity of celebrity confessions is. Wouldn't there be a gleeful thrill in halting one of those teary moments in which Winfrey or Roseanne or a dozen other celebs share their pain? Didn't you ever want to yell, "Enough, Oprah"? He says it for us, but more crudely. In "Private Parts" he even writes a parody of a Christmas letter from the Winfrey family, a cheery note that fills friends in on all the uncles and cousins who did and didn't molest Oprah that year.

That complete lack of taste, the kind of thing that led him to be labeled a "shock jock" in the first place, is missing from the flood of recent interviews and from the movie itself. The film's commercial appeal is built on many smart, disarming choices.

The producer is Ivan Reitman, who has also directed "Ghostbusters" and other hit comedies. The director is Betty Thomas, who was smart enough to make "The Brady Bunch Movie" a winning parody. And, when defusing potential problems, it doesn't hurt to have a female director tell the story of a man known for treating women as sex objects. (In a similar way, racist and sexist problems on the radio show are defused by the presence of his black, female sidekick, Robin Quivers.)

But the film won't do much to explain his success or appeal to nonfans. Neither will the endless interviews, which echo the official press kit of information put out by Paramount Pictures. Rolling Stone says that in person Stern is "tentative, honest, someone who wants to be liked." Last Friday on the "Tonight" show, Jay Leno introduced him by saying, "If you're not a Howard Stern fan, you should see this movie. You'll see a different side of Howard." As the real Stern says in the press kit, his fans will be "pretty surprised" by his softer side. Not after all those interviews they won't.

Adam Butler/The Associated Press

Sir Paul McCartney with his insignia after his investiture at Buckingham Palace.

PEOPLE

IN A centuries-old ceremony, **Paul McCartney**, the Beatle who joked 30 years ago about smoking marijuana at Buckingham Palace, went back to see **Queen Elizabeth II** to collect a knighthood for helping to revolutionize pop music. The lad from Liverpool, one of the most successful songwriters in history, became Sir Paul McCartney. Outside the palace, it was just like the old days as London was treated to the screaming adulation that marked Beatlemania in the 1960s. When the Beatles picked up their MBE awards in 1966, they joked that the band had smoked pot in the palace toilets before meeting the queen. Sir Paul said that the two other surviving members of the Beatles now call him "Your Holiness."

□

The Cuban-American singer **Gloria Estefan**, remembering her close brush with paralysis seven years ago, donated $250,000 and a public announcement to research into spinal cord injuries. "When I wrote and produced 'Get on Your Feet' I never imagined that the lyrics would become so profound and powerful and symbolize so much to me and millions the world over who have suffered catastrophic spinal cord injuries," said the former member of **Sound Machine**. Estefan suffered a serious back injury in a March 1990 bus accident.

Sotheby's New York announced Tuesday that the **Pamela Harriman** estate, including the contents of her houses in Georgetown and Middleburg as well as the ambassador's personal possessions from the residence in Paris, will be sold on May 19 and 20 in New York. The estate includes numerous paintings and drawings as well as furniture, books and wine. There also will be a fair amount of **Churchill** memorabilia, the auction house said.

□

The 18th movie about the superspy James Bond will be called "Tomorrow Never Dies" and the British star **Jonathan Pryce** will play its villain, the film's producers announced in London. Pryce, who starred alongside **Madonna** in the recent movie-musical "Evita," plays a power-mad media mogul who controls newspapers and satellite systems.

□

The actor **Brad Pitt** said only the threat of a lawsuit made him complete the filming of the just-released movie "Devil's Own," in which he plays an IRA gunner who befriends an Irish-American cop, played by **Harrison Ford**. Pitt said he wanted to call it quits when Columbia Pictures scrapped the original script, which he liked, for a revamped version he said was deplorable. "It was the most irresponsible bit of filmmaking — if you can even call it that — that I've ever seen," Pitt said. "I couldn't believe it."

□

The man who builds Mirage fighter-bombers, **Serge Dassault**, was accused of going on a Rambo-style hunting expedition firing off a hunting rifle from the roof of a speeding Jeep. A French court heard that Dassault, 71, broke all the rules of hunting on his estate adjoining the Rambouillet forest, west of Paris, inhabited by 200 deer. Game wardens caught Dassault firing from his speeding chauffeur-driven vehicle with a hunting rifle with telescopic sights, the court heard. Dassault reportedly told the game keepers he did not have the time to go hunting in the normal way by stalking his prey. The court reserved judgment until April 21.

□

Fresh from two Grammy Awards, the country star **Vince Gill** has picked up another honor. The Tennessee PGA Junior Tour has been officially renamed the Vince Gill Tennessee PGA Junior Tour. At the Grammys, Gill's "Worlds Apart" was named the top male country vocal performance. He won the collaboration award for "High Lonesome Sound" with **Alison Krauss and Union Station**.

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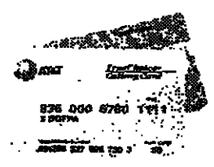

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